

DRAFT BUDGET OF

KHÂI-MA

MUNICIPALITY

NC067



2015/16 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

LED	Local Economic Development	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

1.1 Mayor's Report

Draft Budget 2015/2016

The operating and capital budget of the Council has been compiled in order to comply with the Local Government: Municipal Finance Management Act, no. 56 of 2003

This is a draft budget and after council dealt with it we will embark on a process of community participation, whilst we will also, amongst ourselves revisit the draft before we approve the final budget for the implementation on 1 July 2015.

There is an opportunity for us and the community to make further inputs in the budget for 2015/16.

Financial Sustainability

Currently the municipality is not financially sustainable, at least not in the medium to long term, this has nothing to do with inadequate municipal management, but the reality that Khâi-MA Municipality is situated in a social economic deprived environment with limited financial resources. We are a poor municipality and to function as a municipality council has to find ways to be sustainable.

Overnight results cannot be expected and in fact this is considered as a medium to long term strategy. During the interim some sacrifices and difficult decisions will have to be made in order to prevent a overall collapse within the next year.

Every effort should however be made to improve our revenue collection rate and which is amongst the lowest.

The IDP for 2015/2016 forms the foundation of this budget. A major concern is that certain components of the community missing the opportunity to become pro-actively involved in the IDP process.

Proposed Tariff

In ensuring that we continue providing sustainable services, we are proposing the following tariff increase:

- **10%** increase on cemeteries and recreational halls
- **7%** on assessment rates;

- Nersa's national tariff increase is **12,20%**
- **10%** increase on water for both residential and business
- **10%** on sanitation for both residential and business.
- **10%** on refuse removal both residential and business

SOCIAL SUPPORT PACKAGE

In view of the proposed tariffs, the municipality will provide the following social package relief:

- The first R25,000 on property value is exempted from assessment rates
- Churches are exempted from assessment rates
- All indigent households will still enjoy 6 Kilolitres of water, 50 Kilowatts of free basic electricity and sanitation and refuse service for free.

EXPENDITURE FRAMEWORK

Our expenditure is R48 million for the 2015/2016 financial year. The main contributors to **the R48 million are:**

- **R10,328,570** for Bulk Water and Electricity
- **R 1,880,000** for repairs and maintenance
- **R17,489,818** for personnel costs
- **R 2,226,680** for Council Allowance
- **R 3,730,000** for bad debt provision
- **R 2,688,960** for depreciation
- **R 9,805,980** for general and grants expenditure

% of total Budget

Bulk Water and Electricity	21.45%
Repairs and maintenance	3.90%
Personnel costs	36.32%
Council Allowance	4.62%
Bad debt provision	7.74%
Depreciation	5.58%
General and grants expenditure	20.39%

Our current spending pattern is a point of concern due to the cashflow situation of the municipality.

CAPITAL INVESTMENT

Khâi-MA Municipality will be investing **R20 million** over the Medium Term Revenue and Expenditure Framework period. **R20 million** has been allocated by MIG for following three years.

HUMAN SETTLEMENT

No allocations were received from Goghsta to providing houses to the residents in the municipal area.

The Council remain strongly committed to the principles of accountability, transparency, anti-corruption, proper financial management and effective internal control systems.

A.J. JOSOP

1.2 Council Resolutions

On 30 March 2015 the Council of Khâi-MA Local Municipality met in the Council Chambers of Khâi-MA Municipality to consider **the draft annual budget of the municipality** for the financial year 2015/16. The Mayor tabled the Annual draft budget with the following resolutions:

1. The Council of Khâi-MA Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) and adopts the tabled draft budget:
 - 1.1. The annual draft budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 24;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 26;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 28; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 30.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 32;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 34;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 34;
 - 1.2.4. Asset management as contained in Table 26 on page 36; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 38.
2. The Council of Khâi-MA Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure B
 - 2.3. the tariffs for the supply of water – as set out in Annexure C
 - 2.4. the tariffs for sanitation services – as set out in Annexure E
 - 2.5. the tariffs for solid waste services – as set out in Annexure F
3. The Council of Khâi-MA Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2014 **the proposed tariffs for other services**, as set out in Annexures G1 to G21 respectively.
4. To give proper effect to the municipality's annual budget, the Council of Khâi-MA Local Municipality adopted:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent conditional grants are cash backed as required.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipalities financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 51,54,58 and 67 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Pella Water Board and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the draft budget for 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Draft Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Refreshments and entertainment
 - Subsistence and Travelling.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

R Thousand	Adjustment Budget 2014/2015	Budget 2015/2016	Budget 2016/2017	Budget 2017/2018
Total Operating Revenue	52 483 810	47 817 936	50 268 102	52 960 225
Total Operating Expenditure	52 601 980	48 160 008	50 998 545	54 076 281
Surplus/ (Deficit for the year)	-118 170	-342 072	-730 443	-1 116 056
Transfer recognised -capital	19 051 900	8 243 860	6 845 614	6 997 368
Surplus/ (Deficit for the year)	18 933 730	7 901 788	6 115 171	5 881 312
		34.54	46.83	65.45

Total operating revenue has increase by 34.54% or R342,072 for the 2015.16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will increase by 46.83% during 2016/2017 and 65.45% during 2017/2018 respectively when compared to the 2014/15 financial year.

1.4 Operating Revenue Framework

For the Khâl-MA to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2015/15 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	2 044	2 433	2 810	3 319	3 000	3 000	3 000	4 496	4 766	5 051
Property rates - penalties & collection charges		-	-	77	100	80	80	80	50	53	56
Service charges - electricity revenue	2	3 940	4 711	5 743	6 763	6 958	6 958	6 958	9 210	9 890	10 621
Service charges - water revenue	2	4 137	5 267	5 680	6 599	6 325	6 325	6 325	6 506	6 897	7 310
Service charges - sanitation revenue	2	637	719	893	1 631	1 015	1 015	1 015	1 339	1 420	1 505
Service charges - refuse revenue	2	474	527	678	763	763	763	763	1 058	1 122	1 189
Service charges - other		-	17	86	48	49	49	49	33	35	37
Rental of facilities and equipment		129	139	173	1 083	123	123	123	112	119	126
Interest earned - external investments		351	299	367	200	200	200	200	100	106	112
Interest earned - outstanding debtors		854	929	5 534	648	648	648	648	653	692	734
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		17	17	3	30	30	30	30	15	16	17
Licences and permits		29	26	28	36	36	36	36	35	37	40
Agency services		110	118	134	135	135	135	135	163	173	183
Transfers recognised - operational		20 651	20 762	25 113	23 216	24 590	24 590	24 590	19 536	20 134	20 910
Other revenue	2	598	606	2 583	3 979	8 534	8 534	8 534	4 511	4 782	5 069
Gains on disposal of PPE		-	-	0	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		33 974	36 569	49 902	48 549	52 484	52 484	52 484	47 818	50 241	52 960

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms not a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than one thirds of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges totalled R18 million. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers totals R24 million in the 2014/15 financial year and decreases to R 18 million by 2015/16. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		17 280	14 098	15 058	16 799	16 799	16 799	18 456	19 000	19 690
Local Government Equitable Share		10 921	12 489	13 134	13 821	13 821	13 821	14 782	15 260	15 777
Finance Management Grant		1 250	1 500	1 650	1 800	1 800	1 800	1 800	1 825	1 900
Municipal Infrastructure Grant		4 935	(699)	(3 185)	-	(0)	(0)	944	958	980
Municipal System Improvement Grant		174	800	459	934	934	934	930	957	1 033
GCIS		-	8	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management		-	-	3 000	-	-	-	-	-	-
Accelerated Community Infrastructure Programme		-	-	-	244	244	244	-	-	-
Provincial Government:		7 716	4 566	16 736	2 400	2 400	2 400	1 035	1 134	1 220
Department of Housing and Local Government		-	-	-	653	653	653	-	-	-
Department Sport Arts and Culture - Library De		416	248	554	747	747	747	1 035	1 134	1 220
Department of Housing and Local Government - Ho		6 479	4 318	10 625	-	-	-	-	-	-
Housing : 30 NAMDEV Houses		821	-	-	-	-	-	-	-	-
COGHTA - Development of 198 sites		-	-	4 555	-	-	-	-	-	-
GCIS		-	-	2	-	-	-	-	-	-
Expanded Public Works Programme		-	-	1 000	1 000	1 000	1 000	-	-	-
District Municipality:		599	628	-	3 200	3 200	3 200	-	-	-
Namakwa District Municipality - Capital		599	628	-	3 200	3 200	3 200	-	-	-
Other grant providers:		39	4	227	30	30	30	2	-	-
LGSETA		39	4	20	30	30	30	2	-	-
Vedanta Black Mountain		-	-	207	-	-	-	-	-	-
Total Operating Transfers and Grants	5	25 633	19 295	32 021	22 429	22 429	22 429	19 493	20 134	20 910

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 5.8 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Pella Water Board bulk tariffs are far beyond the mentioned inflation target.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates not covering the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative

Governance. These regulations came into effect on 1 July 2013 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R25000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- State department granted 10% of the value of a property.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 7 per cent increase from 1 July 2015 is contained below:

Table 4 Comparison of proposed rates to levied for the 2013/14 financial year

Category	Current Tariff (1 July 2014)	Proposed tariff (from 1 July 2015)
	c	C
Residential properties	0.0132	0.0141
State owned properties	0.0141	0.0141
Business & Commercial	0.0198	0.0212
Agricultural	0.0006955	0.000744
Vacant land	0.0132	0.0141
Municipal rateable	0	0
Industrial	0.0198	0.0212
Non-permitted use	0	0
Public benefit organisation properties	0	0

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2015.

A tariff increase of 10 per cent from 1 July 2015 for water is proposed.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2014/15	PROPOSED TARIFFS 2015/16
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 1 >	10.45	11.50
BUSSINESS		
(ii) 1>	10.45	11.50

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

Monthly consumption kl	Current amount payable R10.45	Proposed amount payable R11.50	Difference (Increase)	Percentage change %
	R 10.45	R 11.50		
20	R 209.00	R 230.00	21.00	10.05
30	R 313.50	R 345.00	31.50	10.05
40	R 418.00	R 460.00	42.00	10.05
50	R 522.50	R 575.00	52.50	10.05
80	R 836.00	R 920.00	84.00	10.05
100	R 1 045.00	R 1 150.00	105.00	10.05

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 12.20 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

All indigents will receive 50 kWh free of charge.

Table 7 Comparison between current electricity charges and increases (Domestic)

TARIFF INCREASES FROM 2011/2012 UNTIL 2017/18														
	2011/12	% INCREASE	2012/13	% INCREASE	2013/14	% INCREASE	2014/15	% INCREASE	2015/16	% INCREASE	2016/17	% INCREASE	2017/18	% INCREASE
Electricity pre-paid (Econ)	1.11	16.84	1.24	11.71	1.33	7.5	1.416	7.39	1.5887	12.2	1.715	5.8	1.814	5.8
Electricity pre-paid (Indigent)	0.97	19.75	10.18	10.18	1.13	7.5	1.206	7.39	1.3531	12.2	1.4315	5.8	1.514	5.8

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2014. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The pre-paid system currently in use is very old. No information report can be generated from the system.

A tariff increase of 10 per cent for sanitation from 1 July 2015 is proposed. The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R1,3 million for the 2015/16 financial year.

The following table compares the current and proposed tariffs:

Table 8 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2014/15		PROPOSED TARIFF 2015/16	
	per cent DISCHARGED	Basic	per cent DISCHARGED	Basic
		R		R
Residential and Indigents		93.50		102.50
Business		93.50		102.50

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling-houses

Monthly sanitation Consumption	Current amount payable	Proposed amount Payable	Difference (% increase)
	R	R	R
First pump	93.50	102.50	10%

1.4.4 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit due to high percentage of indigents.

A proposed 10 per cent increase in the waste removal tariff is proposed from 1 July 2015. Any increase higher than 10% per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 10 Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2013/14			PROPOSED TARIFFS 2014/15		
		WASTE REMOVAL	CLEANING		WASTE REMOVAL	CLEANING
Tariff per container per month or part of a month:Residencial		Per month (R)88.00			Per month (R)96.80	
Tariff per container per month or part of a month:Business		Per month(R)176.00			Per month (R)193.60	

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 11.4 per cent. The increase for indigent households is also 11% and will be subsidized from the equitable share.

Table 12 MBRR Table SA14 – Household bills

Choose name from list - Supporting Table SA14 Household bills											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		217.35	234.43	700.00	770.00	770.00	770.00		823.90	861.91	911.90
Electricity: Basic levy		1 110.00	1 240.00	1 330.00	1 416.00	1 416.00	1 416.00		1 588.70	1 680.52	1 778.33
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		60.50	65.00	90.00	99.00	99.00	99.00		108.90	115.22	121.90
Water: Consumption		204.00	265.50	285.00	285.00	285.00	285.00		345.00	365.00	386.17
Sanitation		65.30	70.00	85.00	93.50	93.50	93.50		102.50	108.44	114.73
Refuse removal		62.70	67.00	80.00	88.00	88.00	88.00		96.80	102.41	108.35
Other											
sub-total		1 719.85	1 941.93	2 570.00	2 751.50	2 751.50	2 751.50	11.4%	3 065.80	3 233.50	3 421.38
VAT on Services											
Total large household bill:		1 719.85	1 941.93	2 570.00	2 751.50	2 751.50	2 751.50	11.4%	3 065.80	3 233.50	3 421.38
% increase/-decrease			12.9%	32.3%	7.1%	–	–		11.4%	5.5%	5.8%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy		498.89	620.00	665.00	708.00	708.00	708.00		794.35	840.42	889.17
Electricity: Consumption		60.50	65.00	90.00	99.00	99.00	99.00		108.90	115.22	121.90
Water: Basic levy		170.00	221.25	237.50	261.25	261.25	261.25		287.50	304.17	321.81
Water: Consumption		65.30	77.17	85.00	93.50	93.50	93.50		105.00	111.09	117.53
Sanitation		62.70	67.00	80.00	88.00	88.00	88.00		96.80	102.41	108.35
Refuse removal											
Other											
sub-total		857.39	1 050.42	1 157.50	1 249.75	1 249.75	1 249.75	11.4%	1 392.55	1 473.31	1 558.76
VAT on Services											
Total small household bill:		857.39	1 050.42	1 157.50	1 249.75	1 249.75	1 249.75	11.4%	1 392.55	1 473.31	1 558.76
% increase/-decrease			22.5%	10.2%	8.0%	–	–		11.4%	5.8%	5.8%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–		–	–	–
Electricity: Basic levy		339.50	356.30	395.50	422.10	422.10	422.10	#NAME?	473.58	501.05	530.11
Electricity: Consumption		60.50	65.00	90.00	99.00	99.00	99.00	#NAME?	108.90	115.22	121.90
Water: Basic levy		40.80	123.90	190.00	209.00	209.00	209.00	#NAME?	230.00	243.34	257.45
Water: Consumption		65.30	70.00	85.00	93.50	93.50	93.50	#NAME?	102.50	108.44	114.73
Sanitation		62.70	67.00	80.00	88.00	88.00	88.00	#NAME?	96.80	102.41	108.35
Refuse removal											
Other											
sub-total		568.80	682.20	840.50	911.60	911.60	911.60	11.0%	1 011.78	1 070.46	1 132.54
VAT on Services											
Total small household bill:		568.80	682.20	840.50	911.60	911.60	911.60	11.0%	1 011.78	1 070.46	1 132.54
% increase/-decrease			19.9%	23.2%	8.5%	–	–		11.0%	5.8%	5.8%

1.5 Operating Expenditure Framework

The municipalities expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type											
Employee related costs	2	8 492	11 219	12 980	17 461	15 922	15 922	15 922	17 858	18 689	19 605
Remuneration of councillors		1 587	1 736	1 736	1 858	1 858	1 858	1 858	1 858	1 944	2 040
Debt impairment	3	4 249	4 520	8 934	2 550	2 600	2 600	2 600	3 730	3 730	3 730
Depreciation & asset impairment	2	2 094	2 161	5 846	2 886	2 263	2 263	2 263	2 689	2 689	2 689
Finance charges		658	511	444	226	376	376	376	283	244	220
Bulk purchases	2	4 951	6 327	8 430	7 327	8 277	8 277	8 277	10 759	12 072	13 545
Other materials	8	–	1 306	751	1 633	1 871	1 871	1 871	1 706	1 807	1 908
Contracted services		242	267	289	5	165	165	165	5	5	6
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	16 873	12 499	23 670	15 013	19 245	19 245	19 245	9 241	9 786	10 334
Loss on disposal of PPE		189	23	34	25	25	25	25	30	31	–
Total Expenditure		39 336	40 569	63 113	48 985	52 602	52 602	52 602	48 160	50 999	54 076

The budgeted allocation for employee related costs for the 2015/16 financial year totals R17.8 million, which equals 36.32 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2015/16 financial year. An annual increase of 5.8 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 85% per cent and the Debt Write-off Policy of the municipality.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate

asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). All longterm loans are redeemed.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Pella Waterboard. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipalities infrastructure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

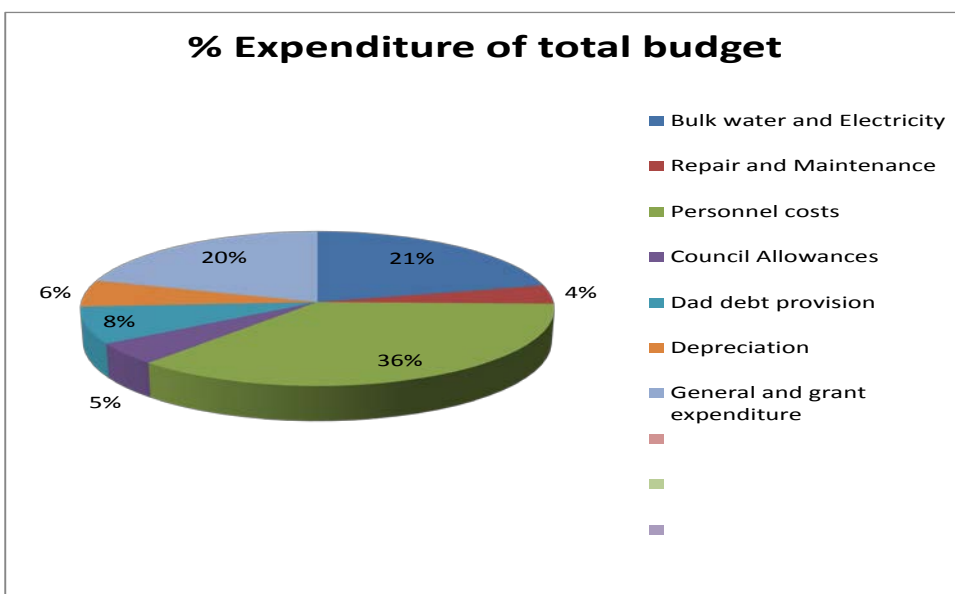


Figure 1 Main operational expenditure categories for the 2015/16 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipalities current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

Table 14 Operational repairs and maintenance

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Employee related costs	2	8 492	11 219	12 980	17 461	15 922	15 922	15 922	17 858	18 894	19 990
Other materials	8	–	1 306	751	1 633	1 871	1 871	1 871	1 706	1 800	1 895
		8 492	12 525	13 730	19 094	17 792	17 792	17 792	19 564	20 694	21 885

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 15 Repairs and maintenance per asset class

Choose name from list - Table A9 Asset Management											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE OTHER ITEMS											
<u>Depreciation & asset impairment</u>		2 094	2 161	5 846	2 886	2 263	2 263		2 689	2 689	2 689
<u>Repairs and Maintenance by Asset Class</u>	3	1 063	1 311	1 262	1 908	2 028	2 028		1 992	2 101	2 212
Infrastructure - Road transport		9	8	3	30	30	30		50	53	56
Infrastructure - Electricity		99	203	271	380	380	380		200	211	222
Infrastructure - Water		374	369	376	530	550	550		550	580	611
Infrastructure - Sanitation		16	–	4	30	30	30		50	53	56
Infrastructure - Other		54	13	31	15	15	15		100	106	111
Infrastructure		552	592	685	985	1 005	1 005		950	1 002	1 055
Community		9	159	11	40	50	50		55	58	61
Heritage assets		–	–	–	–	–	–		–	–	–
Investment properties		–	–	–	150	150	150		100	106	111
Other assets	6, 7	502	560	566	733	823	823		887	935	985
TOTAL EXPENDITURE OTHER ITEMS		3 157	3 473	7 108	4 793	4 291	4 291		4 680	4 790	4 901

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipalities Indigent Policy. The target is to register 1710 or more indigent households during the 2015/16 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 16 2015/16 Medium-term capital budget per vote

Choose name from list - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	2 368	5 813	3 416	21 116	14 760	14 760	21 119	27 580	34 192
Infrastructure - Electricity		2 664	3 570	4 202	10 597	5 702	5 702	7 028	6 854	6 680
Infrastructure - Water		15 205	19 069	15 664	16 104	16 253	16 253	15 818	15 383	14 948
Infrastructure - Sanitation		2 777	4 157	5 598	9 211	7 644	7 644	7 453	7 262	7 071
Infrastructure - Other		1 742	1 070	1 872	808	1 772	1 772	1 772	1 772	1 772
Infrastructure		24 755	33 679	30 752	57 836	46 130	46 130	53 189	58 850	64 662
Community		8 913	12 641	4 500	14 407	4 291	4 291	4 087	3 884	3 680
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		75	146	306	69	306	306	306	306	306
Other assets		30 405	20 632	57 360	38 289	59 499	59 499	58 299	56 998	55 698
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		342	274	225	156	225	225	225	225	225
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	64 490	67 372	93 144	110 758	110 452	110 452	116 107	120 264	124 572
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	2 094	2 161	5 846	2 886	2 263	2 263	2 689	2 689	2 689
<u>Repairs and Maintenance by Asset Class</u>		1 063	1 311	1 262	1 908	2 028	2 028	1 992	2 109	2 227
Infrastructure - Road transport		9	8	3	30	30	30	50	53	56
Infrastructure - Electricity		99	203	271	380	380	380	200	212	224
Infrastructure - Water		374	369	376	530	550	550	550	582	615
Infrastructure - Sanitation		16	–	4	30	30	30	50	53	56
Infrastructure - Other		54	13	31	15	15	15	100	106	112
Infrastructure		552	592	685	985	1 005	1 005	950	1 006	1 062
Community		9	159	11	40	50	50	55	58	62
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	150	150	150	100	106	112
Other assets	6, 7	502	560	566	733	823	823	887	939	991
TOTAL EXPENDITURE OTHER ITEMS		3 157	3 473	7 108	4 793	4 291	4 291	4 680	4 798	4 916

For 2015/16 an amount of R8,3 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget.

Total new assets represent 100 per cent or R8.3 million of the total capital budget while asset renewal equates to 0 per cent. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Backlog eradication of roads – R8,3 million;

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary										
Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	2 044	2 433	2 888	3 419	3 080	3 080	3 080	4 546	4 819	5 108
Service charges	9 189	11 241	13 079	15 804	15 109	15 109	15 109	18 147	19 363	20 663
Investment revenue	351	299	367	200	200	200	200	100	106	112
Transfers recognised - operational	20 651	20 762	25 113	23 216	24 590	24 590	24 590	18 592	19 176	19 930
Other own revenue	1 738	1 834	8 455	5 910	9 505	9 505	9 505	6 434	6 804	7 148
Total Revenue (excluding capital transfers and contributions)	33 974	36 569	49 902	48 549	52 484	52 484	52 484	47 818	50 268	52 960
Employee costs	8 492	11 219	12 980	17 461	15 922	15 922	15 922	17 858	18 689	19 605
Remuneration of councillors	1 587	1 736	1 736	1 858	1 858	1 858	1 858	1 858	1 944	2 040
Depreciation & asset impairment	2 094	2 161	5 846	2 886	2 263	2 263	2 263	2 689	2 689	2 689
Finance charges	658	511	444	226	376	376	376	283	244	220
Materials and bulk purchases	4 951	7 633	9 180	8 961	10 148	10 148	10 148	12 465	13 879	15 453
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	21 554	17 308	32 927	17 593	22 035	22 035	22 035	13 006	13 553	14 070
Total Expenditure	39 336	40 569	63 113	48 985	52 602	52 602	52 602	48 160	50 999	54 076
Surplus/(Deficit)	(5 362)	(3 999)	(13 211)	(436)	(118)	(118)	(118)	(342)	(730)	(1 116)
Transfers recognised - capital	3 147	4 545	7 596	19 897	19 052	19 052	19 052	8 244	6 846	6 997
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Capital expenditure & funds sources										
Capital expenditure	3 339	9 064	-	19 987	19 572	19 572	19 572	8 344	6 846	6 997
Transfers recognised - capital	3 147	9 024	-	19 897	19 052	19 052	19 052	8 244	6 846	6 997
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	192	40	-	90	520	520	520	100	-	-
Total sources of capital funds	3 339	9 064	-	19 987	19 572	19 572	19 572	8 344	6 846	6 997
Financial position										
Total current assets	16 099	13 983	14 855	12 478	5 615	5 615	5 615	16 088	30 585	46 279
Total non current assets	64 490	67 372	93 144	110 758	110 452	110 452	110 452	116 107	120 264	124 572
Total current liabilities	18 495	16 137	20 256	13 521	10 134	10 134	10 134	17 537	29 520	43 471
Total non current liabilities	7 582	6 372	7 718	9 966	8 715	8 715	8 715	9 538	10 093	10 263
Community wealth/Equity	54 511	58 846	80 024	99 750	97 418	97 418	97 418	105 320	111 435	117 317
Cash flows										
Net cash from (used) operating	13 806	1 653	11 784	19 630	20 046	20 046	20 046	6 747	6 839	6 990
Net cash from (used) investing	(2 866)	(4 591)	(10 361)	(19 987)	(20 403)	(20 403)	(20 403)	(8 344)	(6 846)	(6 997)
Net cash from (used) financing	(402)	(11)	(7)	(230)	(230)	(230)	(230)	24	7	7
Cash/cash equivalents at the year end	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Cash backing/surplus reconciliation										
Cash and investments available	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Application of cash and investments	13 866	11 521	16 162	5 695	7 185	7 185	7 185	10 220	15 839	20 003
Balance - surplus (shortfall)	(4 513)	(5 117)	(8 342)	(3 395)	(5 412)	(5 412)	(5 412)	(10 020)	(15 639)	(19 803)
Asset management										
Asset register summary (WDV)	64 490	67 372	93 144	110 758	110 452	110 452	116 107	116 107	120 264	124 572
Depreciation & asset impairment	2 094	2 161	5 846	2 886	2 263	2 263	2 689	2 689	2 689	2 689
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1 063	1 311	1 262	1 908	2 028	2 028	1 992	1 992	2 109	2 227
Free services										
Cost of Free Basic Services provided	5 027	5 404	6 632	6 989	6 989	6 989	7 367	7 367	12 109	-
Revenue cost of free services provided	5 990	6 443	12 050	12 678	12 678	12 678	13 341	13 341	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial

Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		15 831	17 935	20 989	24 100	23 762	23 762	26 829	27 870	29 128
Executive and council		185	218	218	-	130	130	1 368	1 430	1 493
Budget and treasury office		4 725	17 123	20 017	19 977	19 507	19 507	20 690	21 431	22 325
Corporate services		10 921	594	755	4 124	4 125	4 125	4 771	5 010	5 310
<i>Community and public safety</i>		7 934	9 706	12 418	10 996	11 124	11 124	1 035	1 134	1 220
Community and social services		1 354	4 091	3 736	5 260	3 954	3 954	1 035	1 134	1 220
Sport and recreation		4	4	3	2	782	782	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		6 576	5 611	8 680	5 734	6 388	6 388	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		72	189	2 933	10 078	13 430	13 430	7 901	8 057	8 217
Planning and development		39	-	-	150	-	-	-	-	-
Road transport		33	189	2 933	9 928	13 430	13 430	7 901	8 057	8 217
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 284	13 284	21 158	23 272	23 220	23 220	20 297	20 052	21 393
Electricity		3 964	5 240	7 091	9 812	11 462	11 462	10 768	9 952	10 686
Water		7 308	6 033	9 400	7 934	7 660	7 660	6 951	7 368	7 810
Waste water management		756	1 002	3 919	4 662	3 235	3 235	1 419	1 504	1 595
Waste management		1 255	1 010	749	863	863	863	1 158	1 228	1 302
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	37 121	41 114	57 498	68 446	71 536	71 536	56 062	57 114	59 958
Expenditure - Standard										
<i>Governance and administration</i>		11 192	11 541	18 869	15 531	15 193	15 193	16 764	17 602	18 443
Executive and council		3 288	3 351	3 292	4 710	4 645	4 645	4 961	5 183	5 392
Budget and treasury office		7 587	4 329	4 568	5 486	5 347	5 347	5 928	6 260	6 582
Corporate services		317	3 860	11 010	5 335	5 200	5 200	5 875	6 160	6 469
<i>Community and public safety</i>		10 337	8 982	14 463	8 600	10 412	10 412	3 073	3 172	3 277
Community and social services		2 702	3 016	1 509	2 210	2 436	2 436	2 253	2 317	2 385
Sport and recreation		292	299	4 247	516	1 399	1 399	569	590	611
Public safety		33	56	-	-	-	-	-	-	-
Housing		7 310	5 611	8 680	5 734	6 388	6 388	-	-	-
Health		-	-	28	141	191	191	252	266	281
<i>Economic and environmental services</i>		1 046	1 055	2 582	2 613	2 518	2 518	2 527	2 636	2 752
Planning and development		294	209	1 052	1 167	1 007	1 007	910	954	1 002
Road transport		751	846	1 530	1 446	1 511	1 511	1 616	1 682	1 751
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		16 761	18 807	27 001	21 971	24 259	24 259	25 557	27 338	29 341
Electricity		4 450	5 003	6 943	6 261	10 179	10 179	9 773	10 745	11 887
Water		7 200	8 715	14 584	7 723	7 369	7 369	8 639	9 146	9 701
Waste water management		1 970	2 070	2 887	4 028	3 530	3 530	3 760	3 919	4 087
Waste management		3 140	3 019	2 587	3 958	3 180	3 180	3 386	3 527	3 667
<i>Other</i>	4	-	185	198	271	221	221	238	250	262
Total Expenditure - Standard	3	39 336	40 569	63 113	48 985	52 602	52 602	48 160	50 999	54 076
Surplus/(Deficit) for the year		(2 215)	546	(5 615)	19 461	18 934	18 934	7 902	6 115	5 881

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.

4. Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote1 - Municipal Manager		261	218	218	–	130	130	1 368	1 430	1 493
1.1 - Council and General		261	218	218	–	130	130	1 368	1 430	1 493
1.2 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote2 - Finance		14 909	17 423	20 535	24 058	23 588	23 588	25 515	26 545	27 746
2.1 - Assessment Rates		2 135	2 559	2 888	3 419	3 080	3 080	4 546	4 819	5 108
2.2 - Chief Financial Officer		1 437	1 894	3 995	2 736	2 606	2 606	2 730	2 782	2 933
2.3 - Internal Auditor		171	181	–	–	–	–	–	–	–
2.4 - Other Subsidies		10 921	12 489	13 134	13 821	13 821	13 821	13 414	13 830	14 284
2.5 - Property Services		95	139	353	3 881	3 881	3 881	4 612	4 889	5 182
2.6 - Vehicle Licencing and Testing		150	161	165	201	201	201	213	226	240
Vote3 - Corporate Services		4 264	4 546	4 138	5 503	4 199	4 199	1 194	1 255	1 348
3.1 - Cemetary		4	3	13	11	11	11	–	–	–
3.2 - Corporate Services		352	455	402	243	244	244	159	121	128
3.3 - Disaster Management		–	–	–	–	–	–	–	–	–
3.4 - Health		–	–	–	–	–	–	–	–	–
3.5 - Library		416	389	509	747	747	747	1 035	1 134	1 220
3.6 - Municipal and Public Buildings		3 404	2 390	3 147	1 302	–	–	–	–	–
3.7 - Public Works		88	1 308	66	3 200	3 197	3 197	–	–	–
3.8 - Traffic		–	–	–	–	–	–	–	–	–
Vote4 - Infrastructure Development		17 672	13 317	23 928	33 001	37 231	37 231	27 985	27 883	29 370
4.1 - Electricity		4 014	5 240	7 091	9 812	11 462	11 462	10 768	9 952	10 686
4.2 - Parks and Recreation		5	4	3	2	782	782	–	–	–
4.3 - Refuse		1 523	1 010	749	863	863	863	1 158	1 228	1 302
4.4 - Roads		976	29	2 768	9 727	13 229	13 229	7 688	7 831	7 977
4.5 - Sewerage		686	1 002	3 919	4 662	3 235	3 235	1 419	1 504	1 595
4.6 - Television		–	–	–	–	–	–	–	–	–
4.7 - Water		10 467	6 033	9 400	7 934	7 660	7 660	6 951	7 368	7 810
Vote5 - Economic Development		15	5 611	8 680	5 884	6 388	6 388	–	–	–
5.1 - Housing		–	5 611	8 680	5 734	6 388	6 388	–	–	–
5.2 - IDP/LED		15	–	–	150	–	–	–	–	–
5.3 - Tourism		–	–	–	–	–	–	–	–	–
5.4 - Town Planning		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	37 121	41 114	57 498	68 446	71 536	71 536	56 062	57 114	59 958

Expenditure by Vote	1									
Vote1 - Municipal Manager		3 411	3 351	3 292	4 710	4 645	4 645	4 961	5 183	5 392
1.1 - Council and General		2 551	2 935	2 906	3 045	3 378	3 378	3 097	3 231	3 344
1.2 - Municipal Manager		860	416	385	1 665	1 268	1 268	1 864	1 952	2 048
Vote2 - Finance		3 378	4 498	10 736	5 697	5 558	5 558	6 104	6 446	6 779
2.1 - Assessment Rates		300	201	234	200	250	250	380	380	380
2.2 - Chief Financial Officer		2 401	3 679	4 020	4 886	4 747	4 747	5 117	5 396	5 660
2.3 - Internal Auditor		160	172	-	-	-	-	-	-	-
2.4 - Other Subsidies		380	277	314	400	350	350	431	483	542
2.5 - Property Services		81	138	6 163	152	152	152	101	107	113
2.6 - Vehicle Licencing and Testing		56	31	4	60	60	60	75	79	84
Vote3 - Corporate Services		3 782	6 747	6 338	7 474	7 615	7 615	8 215	8 569	8 952
3.1 - Cemetry		135	32	147	275	271	271	285	301	317
3.2 - Corporate Services		2 508	3 722	4 847	5 183	5 048	5 048	5 774	6 053	6 355
3.3 - Disaster Management		73	56	28	141	191	191	252	266	281
3.4 - Health		-	-	-	-	-	-	-	-	-
3.5 - Library		626	983	843	1 290	1 309	1 309	1 133	1 188	1 247
3.6 - Municipal and Public Buildings		441	459	715	586	754	754	772	794	815
3.7 - Public Works		-	1 495	(242)	-	43	43	-	(32)	(64)
3.8 - Traffic		-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Development		16 826	19 968	32 819	23 932	27 167	27 167	27 731	29 597	31 689
4.1 - Electricity		4 249	5 003	6 943	6 261	10 179	10 179	9 773	10 745	11 887
4.2 - Parks and Recreation		346	299	4 247	516	1 399	1 399	569	590	611
4.3 - Refuse		3 359	3 019	2 587	3 958	3 180	3 180	3 386	3 527	3 667
4.4 - Roads		1 294	815	1 526	1 386	1 451	1 451	1 541	1 603	1 667
4.5 - Sewerage		2 370	2 070	2 887	4 028	3 530	3 530	3 760	3 919	4 087
4.6 - Television		42	48	45	59	59	59	64	67	70
4.7 - Water		5 166	8 715	14 584	7 723	7 369	7 369	8 639	9 146	9 701
Vote5 - Economic Development		11 939	6 005	9 929	7 172	7 615	7 615	1 148	1 204	1 264
5.1 - Housing		11 593	5 611	8 680	5 734	6 388	6 388	-	-	-
5.2 - IDP/LED		161	209	1 052	1 167	1 007	1 007	910	954	1 002
5.3 - Tourism		186	185	198	271	221	221	238	250	262
5.4 - Town Planning		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	39 336	40 569	63 113	48 985	52 602	52 602	48 160	50 999	54 076
Surplus/(Deficit) for the year	2	(2 215)	546	(5 615)	19 461	18 934	18 934	7 902	6 115	5 881

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 11 Surplus/(Deficit) calculations for the trading services

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote4 - Infrastructure Development		4 014	5 240	7 091	9 812	11 462	11 462	10 768	9 952	10 686
4.1 - Electricity		4 014	5 240	7 091	9 812	11 462	11 462	10 768	9 952	10 686
Vote4 - Infrastructure Development		4 249	5 003	6 943	6 261	10 179	10 179	9 773	10 745	11 887
4.1 - Electricity		4 249	5 003	6 943	6 261	10 179	10 179	9 773	10 745	11 887
Surplus/(Deficit) for the year	2	(235)	237	148	3 551	1 282	1 282	995	(794)	(1 200)
Vote4 - Infrastructure Development		10 467	6 033	9 400	7 934	7 660	7 660	6 951	7 368	7 810
4.7 - Water		10 467	6 033	9 400	7 934	7 660	7 660	6 951	7 368	7 810
Vote4 - Infrastructure Development		5 166	8 715	14 584	7 723	7 369	7 369	8 639	9 146	9 701
4.7 - Water		5 166	8 715	14 584	7 723	7 369	7 369	8 639	9 146	9 701
		5 301	(2 683)	(5 184)	211	291	291	(1 688)	(1 778)	(1 890)

2. The electricity trading surplus is increase over the 2013/14 MTREF from R148 thousand in 2014/15 to R1,282 million and decrease by 2015/16 to R955 thousand. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of R5,1 million, increase to R291 thousand in 2014/15 and decrease to R1,6 million in 2015/16 of each of the respective financial years.

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	2 044	2 433	2 810	3 319	3 000	3 000	3 000	4 496	4 766	5 051
Property rates - penalties & collection charges		–	–	77	100	80	80	80	50	53	56
Service charges - electricity revenue	2	3 940	4 711	5 743	6 763	6 958	6 958	6 958	9 210	9 890	10 621
Service charges - water revenue	2	4 137	5 267	5 680	6 599	6 325	6 325	6 325	6 506	6 897	7 310
Service charges - sanitation revenue	2	637	719	893	1 631	1 015	1 015	1 015	1 339	1 420	1 505
Service charges - refuse revenue	2	474	527	678	763	763	763	763	1 058	1 122	1 189
Service charges - other		–	17	86	48	49	49	49	33	35	37
Rental of facilities and equipment		129	139	173	1 083	123	123	123	112	119	126
Interest earned - external investments		351	299	367	200	200	200	200	100	106	112
Interest earned - outstanding debtors		854	929	5 534	648	648	648	648	653	692	734
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		17	17	3	30	30	30	30	15	16	17
Licences and permits		29	26	28	36	36	36	36	35	37	40
Agency services		110	118	134	135	135	135	135	163	173	183
Transfers recognised - operational		20 651	20 762	25 113	23 216	24 590	24 590	24 590	18 592	19 176	19 930
Other revenue	2	598	606	2 583	3 979	8 534	8 534	8 534	5 455	5 767	6 049
Gains on disposal of PPE		–	–	0	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		33 974	36 569	49 902	48 549	52 484	52 484	52 484	47 818	50 268	52 960
Expenditure By Type											
Employee related costs	2	8 492	11 219	12 980	17 461	15 922	15 922	15 922	17 858	18 689	19 605
Remuneration of councillors		1 587	1 736	1 736	1 858	1 858	1 858	1 858	1 858	1 944	2 040
Debt impairment	3	4 249	4 520	8 934	2 550	2 600	2 600	2 600	3 730	3 730	3 730
Depreciation & asset impairment	2	2 094	2 161	5 846	2 886	2 263	2 263	2 263	2 689	2 689	2 689
Finance charges		658	511	444	226	376	376	376	283	244	220
Bulk purchases	2	4 951	6 327	8 430	7 327	8 277	8 277	8 277	10 759	12 072	13 545
Other materials	8	–	1 306	751	1 633	1 871	1 871	1 871	1 706	1 807	1 908
Contracted services		242	267	289	5	165	165	165	5	5	6
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	16 873	12 499	23 670	15 013	19 245	19 245	19 245	9 241	9 786	10 334
Loss on disposal of PPE		189	23	34	25	25	25	25	30	31	–
Total Expenditure		39 336	40 569	63 113	48 985	52 602	52 602	52 602	48 160	50 999	54 076
Surplus/(Deficit)											
Transfers recognised - capital		(5 362)	(3 999)	(13 211)	(436)	(118)	(118)	(118)	(342)	(730)	(1 116)
Contributions recognised - capital	6	3 147	4 545	7 596	19 897	19 052	19 052	19 052	8 244	6 846	6 997
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R52 million in 2014/15 and decrease to R47 million due to government grant income by 2015/16 and increase to R50 due government allocations in 2016/2017 and increase to R52 million in 2017/2018.
2. Revenue to be generated from property rates is R4.4 million in the 2015/16 financial year and increases to R4.7 million by 2016/17 and by 2017/2018 R5 million. It remains relatively constant over the medium-term and tariff increases have been factored in at 7 per cent, 5.8 per cent and 5.8 per cent for each of the respective financial years of the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing rapidly over the MTREF. The municipality is grant dependent and is it important to increase the equitable share every year.

Figure 2 Expenditure by major type

5. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Pella Water Board.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Development		-	4 450	-	11 890	14 578	14 578	14 578	8 244	6 846	6 997
Vote5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	4 450	-	11 890	14 578	14 578	14 578	8 244	6 846	6 997
Single-year expenditure to be appropriated	2										
Vote1 - Municipal Manager		171	180	-	60	230	230	230	100	-	-
Vote2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		821	2 655	-	4 397	3 074	3 074	3 074	-	-	-
Vote4 - Infrastructure Development		2 348	1 780	-	3 640	1 690	1 690	1 690	-	-	-
Capital single-year expenditure sub-total		3 339	4 614	-	8 097	4 994	4 994	4 994	100	-	-
Total Capital Expenditure - Vote		3 339	9 064	-	19 987	19 572	19 572	19 572	8 344	6 846	6 997
Capital Expenditure - Standard											
Governance and administration		171	180	-	60	230	230	230	100	-	-
Executive and council		171	180	-	60	230	230	230	100	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		821	2 655	-	4 397	3 074	3 074	3 074	-	-	-
Community and social services		821	2 655	-	4 397	3 074	3 074	3 074	-	-	-
Economic and environmental services		389	3 450	-	8 699	11 497	11 497	11 497	6 744	6 846	6 997
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		389	3 450	-	8 699	11 497	11 497	11 497	6 744	6 846	6 997
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1 958	2 780	-	6 832	4 770	4 770	4 770	1 500	-	-
Electricity		-	1 000	-	3 000	1 600	1 600	1 600	1 500	-	-
Water		1 443	-	-	880	1 030	1 030	1 030	-	-	-
Waste water management		28	1 780	-	2 951	2 140	2 140	2 140	-	-	-
Waste management		487	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	3 339	9 064	-	19 987	19 572	19 572	19 572	8 344	6 846	6 997
Funded by:											
National Government		2 316	7 535	-	15 154	15 272	15 272	15 272	6 744	6 846	6 997
Provincial Government		27	-	-	4 543	3 780	3 780	3 780	1 500	-	-
District Municipality		804	360	-	-	-	-	-	-	-	-
Other transfers and grants		-	1 129	-	200	-	-	-	-	-	-
Transfers recognised - capital	4	3 147	9 024	-	19 897	19 052	19 052	19 052	8 244	6 846	6 997
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		192	40	-	90	520	520	520	100	-	-
Total Capital Funding	7	3 339	9 064	-	19 987	19 572	19 572	19 572	8 344	6 846	6 997

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 23 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Current assets											
Cash		57	6 204	13	2 100	1 572	1 572	1 572	–	–	–
Call investment deposits	1	9 296	200	7 807	200	200	200	200	200	200	200
Consumer debtors	1	2 672	3 461	2 909	7 679	531	531	531	13 905	28 400	44 092
Other debtors		1 447	2 005	2 511	557	1 602	1 602	1 602	688	688	688
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inv entory	2	2 627	2 113	1 614	1 942	1 709	1 709	1 709	1 295	1 296	1 298
Total current assets		16 099	13 983	14 855	12 478	5 615	5 615	5 615	16 088	30 585	46 279
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Inv estments		–	–	–	–	–	–	–	–	–	–
Inv estment property		75	146	306	69	306	306	306	306	306	306
Inv estment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	64 073	66 952	92 612	110 533	109 920	109 920	109 920	115 575	119 732	124 040
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		342	274	225	156	225	225	225	225	225	225
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		64 490	67 372	93 144	110 758	110 452	110 452	110 452	116 107	120 264	124 572
TOTAL ASSETS		80 589	81 355	107 998	123 236	116 067	116 067	116 067	132 195	150 848	170 851
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	19	21	23	–	–	–	–	–	–	–
Consumer deposits		66	63	77	77	77	77	77	112	119	126
Trade and other payables	4	17 365	14 943	18 935	12 254	8 868	8 868	8 868	14 994	24 426	33 151
Provisions		1 045	1 110	1 220	1 189	1 189	1 189	1 189	2 431	4 975	10 194
Total current liabilities		18 495	16 137	20 256	13 521	10 134	10 134	10 134	17 537	29 520	43 471
Non current liabilities											
Borrowing		55	34	11	1 066	11	11	11	–	–	–
Provisions		7 527	6 338	7 708	8 900	8 704	8 704	8 704	9 538	10 093	10 263
Total non current liabilities		7 582	6 372	7 718	9 966	8 715	8 715	8 715	9 538	10 093	10 263
TOTAL LIABILITIES		26 077	22 509	27 974	23 486	18 849	18 849	18 849	27 075	39 613	53 734
NET ASSETS	5	54 511	58 846	80 024	99 750	97 218	97 218	97 218	105 120	111 235	117 117
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		50 563	55 032	49 812	96 205	67 455	67 455	67 455	75 605	81 968	88 097
Reserves	4	3 949	3 814	30 212	3 545	29 964	29 964	29 964	29 715	29 467	29 219
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	54 511	58 846	80 024	99 750	97 418	97 418	97 418	105 320	111 435	117 317

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

Choose name from list - Table A7 Budgeted Cash Flows											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		11 020	9 356	9 992	8 148	10 500	10 500	10 500	1 136	1 205	1 277
Service charges		-	-	-	11 817	11 296	11 296	11 296	1 696	1 830	1 974
Other revenue		-	352	2 503	48	49	49	49	6 695	6 112	6 414
Government - operating	1	21 314	21 624	37 716	17 482	18 855	18 855	18 855	18 592	19 176	19 930
Government - capital	1	8 840	10 093	-	16 354	16 039	16 039	16 039	8 244	6 846	6 997
Interest		1 206	1 228	367	200	200	200	200	100	106	112
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(28 073)	(40 499)	(38 527)	(34 193)	(36 817)	(36 817)	(36 817)	(29 433)	(28 191)	(29 494)
Finance charges		(501)	(501)	(266)	(226)	(76)	(76)	(76)	(283)	(244)	(220)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 806	1 653	11 784	19 630	20 046	20 046	20 046	6 747	6 839	6 990
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	1 237	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(2 866)	(4 591)	(11 598)	(19 987)	(20 403)	(20 403)	(20 403)	(8 344)	(6 846)	(6 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 866)	(4 591)	(10 361)	(19 987)	(20 403)	(20 403)	(20 403)	(8 344)	(6 846)	(6 997)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		15	8	15	4	4	4	4	35	7	7
Payments											
Repayment of borrowing		(417)	(19)	(21)	(234)	(234)	(234)	(234)	(11)	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(402)	(11)	(7)	(230)	(230)	(230)	(230)	24	7	7
NET INCREASE/ (DECREASE) IN CASH HELD		10 538	(2 949)	1 416	(587)	(587)	(587)	(587)	(1 572)	(0)	(0)
Cash/cash equivalents at the year begin:	2	(1 184)	9 353	6 404	2 887	2 360	2 360	2 360	1 772	200	200
Cash/cash equivalents at the year end:	2	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200

¹Table 12 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Other current investments > 90 day s		-	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Application of cash and investments											
Unspent conditional transfers		10 527	9 305	10 562	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	3 339	2 216	5 601	5 695	7 185	7 185	7 185	10 220	15 839	20 003
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		13 866	11 521	16 162	5 695	7 185	7 185	7 185	10 220	15 839	20 003
Surplus(shortfall)		(4 513)	(5 117)	(8 342)	(3 395)	(5 412)	(5 412)	(5 412)	(10 020)	(15 639)	(19 803)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 26 MBRR Table A9 - Asset Management

Choose name from list - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>										
Infrastructure - Road transport	2	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>										
Infrastructure - Road transport	4	431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	2 368	5 813	3 416	21 116	14 760	14 760	21 119	27 580	34 192
Infrastructure - Electricity		2 664	3 570	4 202	10 597	5 702	5 702	7 028	6 854	6 680
Infrastructure - Water		15 205	19 069	15 664	16 104	16 253	16 253	15 818	15 383	14 948
Infrastructure - Sanitation		2 777	4 157	5 598	9 211	7 644	7 644	7 453	7 262	7 071
Infrastructure - Other		1 742	1 070	1 872	808	1 772	1 772	1 772	1 772	1 772
Infrastructure		24 755	33 679	30 752	57 836	46 130	46 130	53 189	58 850	64 662
Community		8 913	12 641	4 500	14 407	4 291	4 291	4 087	3 884	3 680
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		75	146	306	69	306	306	306	306	306
Other assets		30 405	20 632	57 360	38 289	59 499	59 499	58 299	56 998	55 698
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		342	274	225	156	225	225	225	225	225
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	64 490	67 372	93 144	110 758	110 452	110 452	116 107	120 264	124 572
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	2 094	2 161	5 846	2 886	2 263	2 263	2 689	2 689	2 689
<u>Repairs and Maintenance by Asset Class</u>		1 063	1 311	1 262	1 908	2 028	2 028	1 992	2 109	2 227
Infrastructure - Road transport		9	8	3	30	30	30	50	53	56
Infrastructure - Electricity		99	203	271	380	380	380	200	212	224
Infrastructure - Water		374	369	376	530	550	550	550	582	615
Infrastructure - Sanitation		16	–	4	30	30	30	50	53	56
Infrastructure - Other		54	13	31	15	15	15	100	106	112
Infrastructure		552	592	685	985	1 005	1 005	950	1 006	1 062
Community		9	159	11	40	50	50	55	58	62
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	150	150	150	100	106	112
Other assets	6, 7	502	560	566	733	823	823	887	939	991
TOTAL EXPENDITURE OTHER ITEMS		3 157	3 473	7 108	4 793	4 291	4 291	4 680	4 798	4 916
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.7%	2.0%	1.4%	1.7%	1.8%	1.8%	1.7%	1.8%	1.8%
Renewal and R&M as a % of PPE		2.0%	2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

Choose name from list - Table A10 Basic service delivery measurement										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		125	56	59	81	81	81	282	70	75
Piped water inside yard (but not in dwelling)		50	75	79	105	105	105	130	120	50
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		175	131	138	186	186	186	412	190	125
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	175	131	138	186	186	186	412	190	125
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		125	56	59	81	81	81	84	70	50
Flush toilet (with septic tank)		50	65	79	105	105	105	130	120	80
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		30	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		205	121	138	186	186	186	214	190	130
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	205	121	138	186	186	186	214	190	130
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		50	110	158	212	212	212	231	120	50
<i>Minimum Service Level and Above sub-total</i>		50	110	158	212	212	212	231	120	50
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	50	110	158	212	212	212	231	120	50
Refuse:										
Removed at least once a week		2 026	2 035	2 136	2 163	2 163	2 163	2 194	2 300	2 530
<i>Minimum Service Level and Above sub-total</i>		2 026	2 035	2 136	2 163	2 163	2 163	2 194	2 300	2 530
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	2 026	2 035	2 136	2 163	2 163	2 163	2 194	2 300	2 530
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		1 698	1 700	1 700	1 785	1 785	1 785	1 734	1 768	1 803
Sanitation (free minimum level service)		1 698	1 700	1 700	1 785	1 785	1 785	1 734	1 768	1 803
Electricity/other energy (50kwh per household per month)		1 620	1 700	1 700	1 785	1 785	1 785	1 734	1 768	1 703
Refuse (removed at least once a week)		1 698	1 700	1 700	1 785	1 785	1 785	1 734	1 768	1 803
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		2 174	2 309	2 786	2 936	2 936	2 936	3 673	3 890	4 108
Sanitation (free sanitation service)		1 230	1 328	1 734	1 827	1 827	1 827	2 040	2 266	2 393
Electricity/other energy (50kwh per household per month)		400	400	480	506	506	506	885	938	990
Refuse (removed once a week)		1 223	1 367	1 632	1 720	1 720	1 720	2 014	20 133	2 253
Total cost of FBS provided (minimum social package)		5 027	5 404	6 632	6 989	6 989	6 989	8 613	27 227	9 743
Highest level of free service provided										
Property rates (R value threshold)		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		65	67	90	94	94	94	103	108	115
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		5	5	5	5	5	5	5	5	5
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		963	1 039	514	676	676	676	724	766	810
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		2 174	2 309	2 786	2 936	2 936	2 936	3 673	3 890	4 108
Sanitation		1 230	1 328	1 734	1 827	1 827	1 827	2 040	2 266	2 393
Electricity/other energy		400	400	480	506	506	506	885	938	990
Refuse		1 223	1 367	1 632	1 720	1 720	1 720	2 014	2 133	2 253
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	6	5 990	6 443	7 146	7 665	7 665	7 665	9 336	9 992	10 555

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipalities IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,54 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
 - Pensioners cannot afford the tariff increases due to low annual pension increases; and
 - During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.
-
- The final Eskom bulk tariff increase, applicable to municipalities from 1 July 2015, was factored into the proposed consumer tariffs, applicable from 1 July 2015. This resulted in an increase of 12.20 per cent.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and

direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Table 13 IDP Strategic Objectives

2015/16 Financial Year	2016/17 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the municipality.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing the municipality in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 14 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A		1 523	1 010	749	863	863	863	1 158	1 228	1 302	
	Develop, manage and regulate the built and natural environment	B		15	-	-	150	-	-	-	-	-	
Quality Living Environment	Meet service needs and address backlogs	C		15 379	17 914	32 022	38 071	42 174	42 174	27 039	26 881	28 308	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		150	161	-	-	-	-	-	-	-	
	Promoting the health of citizens	F		4	3	13	11	11	11	-	-	-	
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		5	4	69	3 202	3 979	3 979	-	-	-	
Good Governance	Ensure accessibility and promote governance.	H		4 176	3 136	4 227	5 930	4 758	4 758	7 015	7 453	7 895	
	Create an efficient, effective and accountable administration	I		440	1 763	402	243	244	244	159	121	128	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure	J		15 430	17 123	20 017	19 977	19 507	19 507	20 690	21 431	22 325	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	37 121	41 114	57 498	68 446	71 536	71 536	56 062	57 114	59 958
References													
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													

Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Choose name from list - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A	1	3 359	3 019	2 587	3 958	3 180	3 180	3 386	3 527	3 667	
	Develop, manage and regulate the built and natural environment	B		161	209	1 052	1 167	1 007	1 007	910	954	1 002	
Quality Living Environment	Meet service needs and address backlogs	C		24 672	22 214	34 624	25 193	28 977	28 977	23 788	25 493	27 425	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		129	86	28	141	191	191	252	266	281	
	Promoting the health of citizens	F		135	32	147	275	271	271	285	301	317	
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		346	299	4 005	516	1 441	1 441	569	557	547	
Good Governance	Ensure accessibility and promote governance.	H		3 884	4 700	10 825	5 343	5 812	5 812	5 341	5 569	5 782	
	Create an efficient, effective and accountable administration	I		3 410	5 681	5 277	6 907	6 375	6 375	7 702	8 071	8 473	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for ...	J		3 241	4 329	4 568	5 486	5 347	5 347	5 928	6 260	6 582	
Allocations to other priorities													
Total Expenditure				1	39 336	40 569	63 113	48 985	52 602	52 602	48 160	50 999	54 076

Table 31 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Choose name from list - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name										
Function 1 - Housing										
Sub-function 1 - Housing										
Provision of 384 Housing Units	% completed	30.0%	30.0%	40.0%	60.0%	60.0%	60.0%	0.0%	0.0%	0.0%
Sub-function 2 - Water										
Upgrading of water supply networks-Access to	% households	80.0%	30.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sub-function 3 - Waste Water										
Upgrading of sewerage networks-Access to	% households	80.0%	30.0%	50.0%	35.0%	35.0%	35.0%	40.0%	40.0%	40.0%
Function 2 - Waste Manangement										
Sub-function 1 - Solid Waste										
Extension/New landfill sites	% households	80.0%	30.0%	25.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sub-function 2 - Electricity										
Provision of new electricity connections -	% households	20.0%	20.0%	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Sub-function 3 -Parks										
Upgrading of sport facilities	% households	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Vote 2 - Roads										
Function 1 - Roads										
Sub-function 1 - Roads										
Provision of new access roads	% households	2.0%	20.0%	50.0%	40.0%	50.0%	50.0%	60.0%	60.0%	60.0%

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and must implement a performance managementsent system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

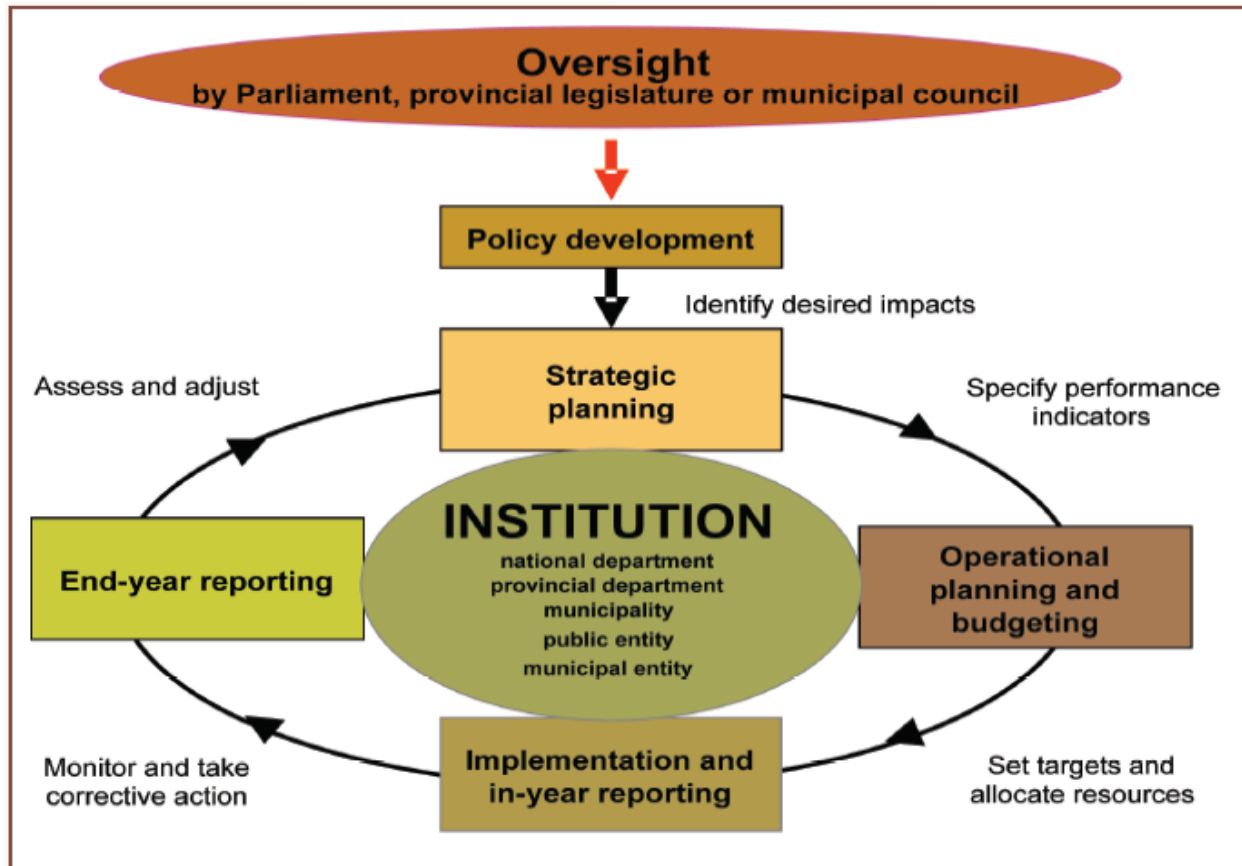


Figure 3 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

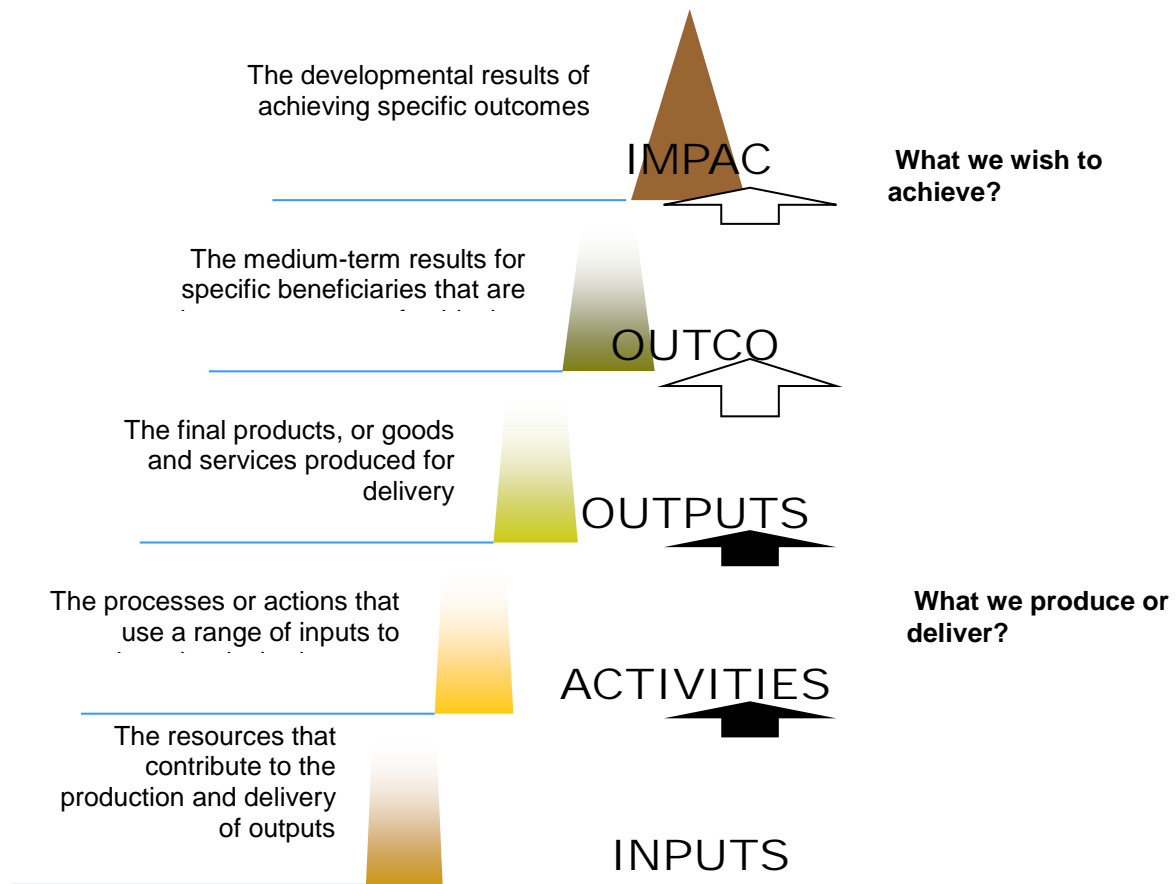


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 15 MBRR Table SA7 - Measurable performance objectives

Choose name from list - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - vote name										
Function 1 - Housing										
Sub-function 1- Housing										
Provision of 384 Housing Units	%completed	30.0%	30.0%	40.0%	60.0%	60.0%	60.0%	0.0%	0.0%	0.0%
Sub-function 2- Water										
Upgrading of water supply networks-Access to	%households	80.0%	30.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sub-function 3- Waste Water										
Upgrading of sewerage networks-Access to	%households	80.0%	30.0%	50.0%	35.0%	35.0%	35.0%	40.0%	40.0%	40.0%
Function 2 - Waste Management										
Sub-function 1- Solid Waste										
Extension/New landfill sites	%households	80.0%	30.0%	25.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Sub-function 2- Electricity										
Provision of new electricity connections -	%households	20.0%	20.0%	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Sub-function 3-Parks										
Upgrading of sport facilities	%households	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Vote 2 - Roads										
Function 1 - Roads										
Sub-function 1- Roads										
Provision of new access roads	%households	2.0%	20.0%	50.0%	40.0%	50.0%	50.0%	60.0%	60.0%	60.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

Table 16 MBRR Table SA8 - Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.7%	1.3%	0.7%	0.9%	1.2%	1.2%	1.2%	0.6%	0.5%	0.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.1%	3.3%	1.9%	1.8%	2.2%	2.2%	2.2%	1.0%	0.8%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	1.4%	0.9%	0.0%	30.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.9	0.9	0.7	0.9	0.6	0.6	0.6	0.9	1.0	1.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.9	0.7	0.9	0.6	0.6	0.6	0.9	1.0	1.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.4	0.4	0.2	0.2	0.2	0.2	0.0	0.0	0.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		85.0%	62.6%	51.2%	79.6%	78.9%	78.9%	78.9%	30.2%	27.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		85.0%	62.6%	51.2%	79.6%	78.9%	78.9%	78.9%	30.2%	27.0%	27.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.1%	14.9%	10.9%	17.0%	4.1%	4.1%	4.1%	30.5%	57.9%	84.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Creditors to Cash and Investments		73.1%	88.0%	107.1%	532.8%	500.3%	500.3%	500.3%	3798.5%	6163.2%	8344.5%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	604	364	674	420	420	420	420	480	520	540
	Total Cost of Losses (Rand '000)	573	332	674	420	420	420	420	480	520	540
	% Volume (units purchased and generated less units sold)/units purchased and generated	12.0%	7.5%		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)		210	203	200	200	200	200	200	200	200
	Total Cost of Losses (Rand '000)	119	629	648	700	700	700	700	740	780	780
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	25.0%	30.7%	26.0%	36.0%	30.3%	30.3%	30.3%	37.3%	37.2%	37.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.5%	35.2%	25.8%	39.8%	33.9%	33.9%		41.2%	41.1%	40.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.1%	3.6%	2.5%	3.9%	3.9%	3.9%		4.2%	4.2%	4.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.1%	7.3%	12.6%	6.4%	5.0%	5.0%	5.0%	6.2%	5.8%	5.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.7	40.8	57.1	58.3	58.3	58.3	164.6	167.2	167.2	178.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services (Available cash + Investments)/monthly fixed operational expenditure	36.2%	39.6%	33.6%	40.6%	11.7%	11.7%	11.7%	64.0%	119.7%	172.9%
iii. Cost coverage		4.2	2.6	2.2	0.8	0.6	0.6	0.6	0.1	0.1	0.1

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, borrowing strategy is primarily informed by the affordability of debt repayments.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 120 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.
- The electricity distribution losses have been increase from 7.46 per cent in the 2012/13 to 11.74 in 2013/2014 financial year to 4.28 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been decrease from 26 per cent in 2012/13 to 24 per cent in 2013/14.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 1734 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, one free drain pumping and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the municipalities bulk water needs are provided directly by Pella Water Board in the form of purified water. The remaining 29 per cent is generated from the Orange river.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

2.4 Overview of budget related-policies

The municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in 2001 and must be reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed. The 2015/16 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 60 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipalities cash levels.

2.4.2 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.4 Budget Policies

The Budget Policies aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipaliteis system of delegations.

2.4.5 Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.6 Tariff Policies

The municipalities tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.7 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2015/16 MTREF with the emphasis on affordability and long-term sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available at the municipality, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;

- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipalities finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Credit rating outlook

Table 17 Credit rating outlook

Security class	Currency	Rating	Annual rating 2013/14	Previous Rating
Short term	Rand	Prime -1		Prime -1
Long-term	Rand	Aa3		Aa3
Outlook	Rand	Negative		Negative

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

2.5.5 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012. The next year the board increase will be 6 per cent.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 80 per cent is achieved on operating expenditure and 85 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 35 Breakdown of the operating revenue over the medium-term

Choose name from list - Table A1 Budget Summary										
Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	2 044	2 433	2 888	3 419	3 080	3 080	3 080	4 546	4 819	5 108
Service charges	9 189	11 241	13 079	15 804	15 109	15 109	15 109	18 147	19 363	20 663
Investment revenue	351	299	367	200	200	200	200	100	106	112
Transfers recognised - operational	20 651	20 762	25 113	23 216	24 590	24 590	24 590	18 592	19 176	19 930
Other own revenue	1 738	1 834	8 455	5 910	9 505	9 505	9 505	6 434	6 804	7 148
Total Revenue (excluding capital transfers and contributions)	33 974	36 569	49 902	48 549	52 484	52 484	52 484	47 818	50 268	52 960

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year.

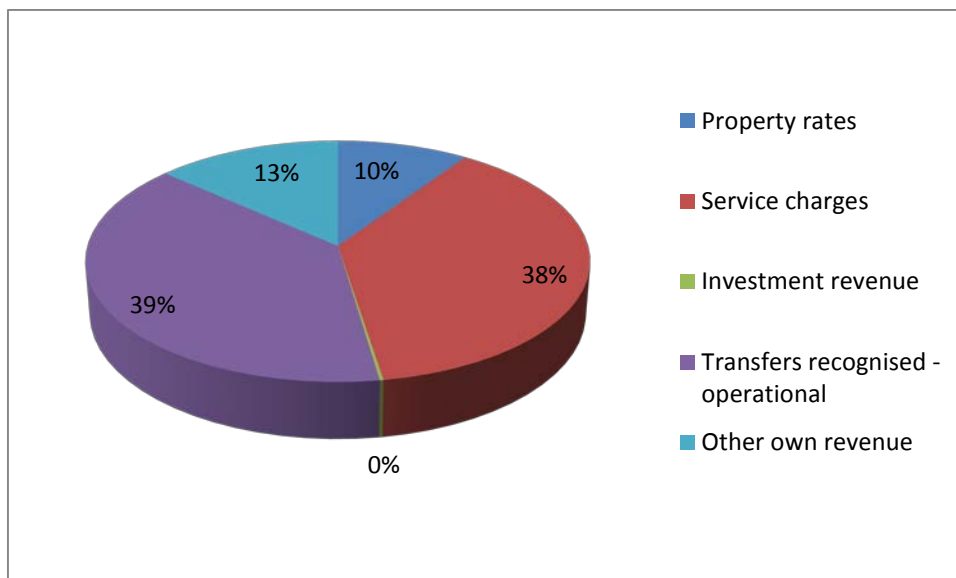


Figure 5 Breakdown of operating revenue over the 2015/16 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 85 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

Table 36 Proposed tariff increases over the medium-term

Choose name from list - Supporting Table SA14 Household bills											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		217.35	234.43	700.00	770.00	770.00	770.00		823.90	871.69	922.25
Electricity: Basic levy		1 110.00	1 240.00	1 330.00	1 416.00	1 416.00	1 416.00		1 588.70	1 680.52	1 778.33
Electricity: Consumption		–	–	–	–	–	–	–	–	–	–
Water: Basic levy		60.50	65.00	90.00	99.00	99.00	99.00		108.90	115.22	121.90
Water: Consumption		204.00	265.50	285.00	285.00	285.00	285.00		345.00	365.00	386.17
Sanitation		65.30	70.00	85.00	93.50	93.50	93.50		102.50	108.44	114.73
Refuse removal		62.70	67.00	80.00	88.00	88.00	88.00		96.80	102.41	108.35
Other											
sub-total		1 719.85	1 941.93	2 570.00	2 751.50	2 751.50	2 751.50	11.4%	3 065.80	3 243.28	3 431.73
VAT on Services											
Total large household bill:		1 719.85	1 941.93	2 570.00	2 751.50	2 751.50	2 751.50	11.4%	3 065.80	3 243.28	3 431.73
% increase/-decrease			12.9%	32.3%	7.1%	–	–		11.4%	5.8%	5.8%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		498.89	620.00	665.00	708.00	708.00	708.00		794.35	840.42	889.17
Water: Basic levy		60.50	65.00	90.00	99.00	99.00	99.00		108.90	115.22	121.90
Water: Consumption		170.00	221.25	237.50	261.25	261.25	261.25		287.50	304.17	321.81
Sanitation		65.30	77.17	85.00	93.50	93.50	93.50		105.00	111.09	117.53
Refuse removal		62.70	67.00	80.00	88.00	88.00	88.00		96.80	102.41	108.35
Other											
sub-total		857.39	1 050.42	1 157.50	1 249.75	1 249.75	1 249.75	11.4%	1 392.55	1 473.31	1 558.76
VAT on Services											
Total small household bill:		857.39	1 050.42	1 157.50	1 249.75	1 249.75	1 249.75	11.4%	1 392.55	1 473.31	1 558.76
% increase/-decrease			22.5%	10.2%	8.0%	–	–		11.4%	5.8%	5.8%
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		339.50	356.30	395.50	422.10	422.10	422.10		473.58	501.05	530.11
Water: Basic levy		60.50	65.00	90.00	99.00	99.00	99.00		108.90	115.22	121.90
Water: Consumption		40.80	123.90	190.00	209.00	209.00	209.00		230.00	243.34	257.45
Sanitation		65.30	70.00	85.00	93.50	93.50	93.50		102.50	108.44	114.73
Refuse removal		62.70	67.00	80.00	88.00	88.00	88.00		96.80	102.41	108.35
Other											
sub-total		568.80	682.20	840.50	911.60	911.60	911.60	11.0%	1 011.78	1 070.46	1 132.54
VAT on Services											
Total small household bill:		568.80	682.20	840.50	911.60	911.60	911.60	11.0%	1 011.78	1 070.46	1 132.54
% increase/-decrease			19.9%	23.2%	8.5%	–	–		11.0%	5.8%	5.8%

Monthly increase for household : Middle 11.4%

Monthly increase for household : Affordable 11.4%

Monthly increase for household : Indigent 11.0%

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

Choose name from list - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		9 296	200	200	200	200	400	400	400	400
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	9 296	200	200	200	200	400	400	400	400
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		—	—	—	—	—	—	—	—	—
Consolidated total:		9 296	200	200	200	200	400	400	400	400

Table 38 MBRR SA16 – Investment particulars by maturity

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

2.6.2 Medium-term outlook: capital revenue

Choose name from list - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Receipt	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
Name of institution & investment (R)	1	Tranche/units												
Parent municipality														
Standard bank		Monthly	Call Deposit	Yes	Variable	6				400				400
														—
														—
														—
														—
Municipality sub-total										400		—	—	400
Entities														
														—
														—
														—
														—
														—
Entities sub-total										—		—	—	—
TOTAL INVESTMENTS AND INTEREST	1									400		—	—	400

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

Choose name from list - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Renewal of Existing Assets</u>	2	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
<u>Total Capital Expenditure</u>	4	–	–	–	–	–	–	–	–	–
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Community		502	1 455	–	1 167	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	566	1 560	–	3 290	3 304	3 304	100	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		2 368	5 813	3 416	21 116	14 760	14 760	21 119	27 580	34 192
Infrastructure - Electricity		2 664	3 570	4 202	10 597	5 702	5 702	7 028	6 854	6 680
Infrastructure - Water		15 205	19 069	15 664	16 104	16 253	16 253	15 818	15 383	14 948
Infrastructure - Sanitation		2 777	4 157	5 598	9 211	7 644	7 644	7 453	7 262	7 071
Infrastructure - Other		1 742	1 070	1 872	808	1 772	1 772	1 772	1 772	1 772
Infrastructure		24 755	33 679	30 752	57 836	46 130	46 130	53 189	58 850	64 662
Community		8 913	12 641	4 500	14 407	4 291	4 291	4 087	3 884	3 680
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		75	146	306	69	306	306	306	306	306
Other assets		30 405	20 632	57 360	38 289	59 499	59 499	58 299	56 998	55 698
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		342	274	225	156	225	225	225	225	225
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	64 490	67 372	93 144	110 758	110 452	110 452	116 107	120 264	124 572
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		2 094	2 161	5 846	2 886	2 263	2 263	2 689	2 689	2 689
<u>Repairs and Maintenance by Asset Class</u>	3	1 063	1 311	1 262	1 908	2 028	2 028	1 992	2 109	2 227
Infrastructure - Road transport		9	8	3	30	30	30	50	53	56
Infrastructure - Electricity		99	203	271	380	380	380	200	212	224
Infrastructure - Water		374	369	376	530	550	550	550	582	615
Infrastructure - Sanitation		16	–	4	30	30	30	50	53	56
Infrastructure - Other		54	13	31	15	15	15	100	106	112
Infrastructure		552	592	685	985	1 005	1 005	950	1 006	1 062
Community		9	159	11	40	50	50	55	58	62
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	150	150	150	100	106	112
Other assets	6, 7	502	560	566	733	823	823	887	939	991
TOTAL EXPENDITURE OTHER ITEMS		3 157	3 473	7 108	4 793	4 291	4 291	4 680	4 798	4 916
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.7%	2.0%	1.4%	1.7%	1.8%	1.8%	1.7%	1.8%	1.8%
Renewal and R&M as a % of PPE		2.0%	2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

The above table is graphically represented as follows for the 2015/16 financial year.

Figure 6 Sources of capital revenue for the 2015/16 financial year

All external fund are redeemed.

Table 41 MBRR Table SA 18 - Capital transfers and grant receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		17 280	14 098	15 058	16 799	16 799	16 799	18 456	19 000	19 690
Local Government Equitable Share		10 921	12 489	13 134	13 821	13 821	13 821	14 782	15 260	15 777
Finance Management Grant		1 250	1 500	1 650	1 800	1 800	1 800	1 800	1 825	1 900
Municipal Infrastructure Grant		4 935	(699)	(3 185)	-	(0)	(0)	944	958	980
Municipal System Improvement Grant		174	800	459	934	934	934	930	957	1 033
GCIS		-	8	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management		-	-	3 000	-	-	-	-	-	-
Accelerated Community Infrastructure Programme		-	-	-	244	244	244	-	-	-
Provincial Government:		7 716	4 566	16 736	2 400	2 400	2 400	1 035	1 134	1 220
Department of Housing and Local Government		-	-	-	653	653	653	-	-	-
Department Sport Arts and Culture - Library De		416	248	554	747	747	747	1 035	1 134	1 220
Department of Housing and Local Government - Ho		6 479	4 318	10 625	-	-	-	-	-	-
Housing : 30 NAMDEV Houses		821	-	-	-	-	-	-	-	-
COGHTA - Development of 198 sites		-	-	4 555	-	-	-	-	-	-
GCIS		-	-	2	-	-	-	-	-	-
Expanded Public Works Programme		-	-	1 000	1 000	1 000	1 000	-	-	-
District Municipality:		599	628	-	3 200	3 200	3 200	-	-	-
Namakwa District Municipality - Capital		599	628	-	3 200	3 200	3 200	-	-	-
Other grant providers:		39	4	227	30	30	30	2	-	-
LGSETA		39	4	20	30	30	30	2	-	-
Vedanta Black Mountain		-	-	207	-	-	-	-	-	-
Total Operating Transfers and Grants	5	25 633	19 295	32 021	22 429	22 429	22 429	19 493	20 134	20 910
Capital Transfers and Grants										
National Government:		2 232	3 177	5 695	9 014	12 464	12 464	8 244	8 846	7 997
Municipal Infrastructure Grant		2 232	2 177	4 495	8 314	11 764	11 764	6 744	6 846	6 997
Integrated National Electricity Program		-	1 000	1 200	700	700	700	1 500	2 000	1 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	2 232	3 177	5 695	9 014	12 464	12 464	8 244	8 846	7 997
TOTAL RECEIPTS OF TRANSFERS & GRANTS		27 865	22 472	37 716	31 443	34 893	34 893	27 737	28 980	28 907

2.6.3 Cash Flow Management

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure																	
Description		Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																	
Property rates			375	375	375	375	375	375	375	375	375	375	375	375	4 496	4 766	5 051
Property rates - penalties & collection charges			4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Service charges - electricity revenue			767	767	767	767	767	767	767	767	767	767	767	767	9 210	9 890	10 621
Service charges - water revenue			542	542	542	542	542	542	542	542	542	542	542	542	6 506	6 897	7 310
Service charges - sanitation revenue			112	112	112	112	112	112	112	112	112	112	112	112	1 339	1 420	1 505
Service charges - refuse revenue			88	88	88	88	88	88	88	88	88	88	88	88	1 058	1 122	1 189
Service charges - other			3	3	3	3	3	3	3	3	3	3	3	3	33	35	37
Rental of facilities and equipment			9	9	9	9	9	9	9	9	9	9	9	9	112	119	126
Interest earned - external investments			8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Interest earned - outstanding debtors			54	54	54	54	54	54	54	54	54	54	54	54	653	692	734
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			1	1	1	1	1	1	1	1	1	1	1	1	15	16	17
Licences and permits			3	3	3	3	3	3	3	3	3	3	3	3	35	37	40
Agency services			14	14	14	14	14	14	14	14	14	14	14	14	163	173	183
Transfers recognised - operational			1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	19 536	20 134	20 910
Other revenue			-	-	-	-	-	-	-	-	-	-	-	4 511	4 511	4 782	5 069
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	8 120	47 818	50 241	52 960
Expenditure By Type																	
Employee related costs			1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	17 858	18 689	19 605
Remuneration of councillors			155	155	155	155	155	155	155	155	155	155	155	155	1 858	1 944	2 040
Debt impairment			311	311	311	311	311	311	311	311	311	311	311	311	3 730	3 730	3 730
Depreciation & asset impairment			224	224	224	224	224	224	224	224	224	224	224	224	2 689	2 689	2 689
Finance charges			24	24	24	24	24	24	24	24	24	24	24	24	283	244	220
Bulk purchases			897	897	897	897	897	897	897	897	897	897	897	897	10 759	12 072	13 545
Other materials			142	142	142	142	142	142	142	142	142	142	142	142	1 706	1 807	1 908
Contracted services			0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Transfers and grants			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure			-	-	-	-	-	-	-	-	-	-	-	9 241	9 241	9 786	10 334
Loss on disposal of PPE			3	3	3	3	3	3	3	3	3	3	3	3	30	31	-
Total Expenditure			3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	12 484	48 160	50 999	54 076
Surplus/(Deficit)																	
Transfers recognised - capital			687	687	687	687	687	687	687	687	687	687	687	687	8 244	8 846	9 997
Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	(3 677)	7 902	8 088	6 881
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1		1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	(3 677)	7 902	8 088	6 881

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 18 MBRR Table A7 - Budget cash flow statement

Choose name from list - Table A7 Budgeted Cash Flows											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		11 020	9 356	9 992	8 148	10 500	10 500	10 500	1 136	1 205	1 277
Service charges		-	-	-	11 817	11 296	11 296	11 296	1 696	1 830	1 974
Other revenue		-	352	2 503	48	49	49	49	6 695	6 112	6 414
Government - operating	1	21 314	21 624	37 716	17 482	18 855	18 855	18 855	18 592	19 176	19 930
Government - capital	1	8 840	10 093	-	16 354	16 039	16 039	16 039	8 244	6 846	6 997
Interest		1 206	1 228	367	200	200	200	200	100	106	112
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(28 073)	(40 499)	(38 527)	(34 193)	(36 817)	(36 817)	(36 817)	(29 433)	(28 191)	(29 494)
Finance charges		(501)	(501)	(266)	(226)	(76)	(76)	(76)	(283)	(244)	(220)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 806	1 653	11 784	19 630	20 046	20 046	20 046	6 747	6 839	6 990
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	1 237	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(2 866)	(4 591)	(11 598)	(19 987)	(20 403)	(20 403)	(20 403)	(8 344)	(6 846)	(6 997)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2 866)	(4 591)	(10 361)	(19 987)	(20 403)	(20 403)	(20 403)	(8 344)	(6 846)	(6 997)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		15	8	15	4	4	4	4	35	7	7
Payments											
Repayment of borrowing		(417)	(19)	(21)	(234)	(234)	(234)	(234)	(11)	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(402)	(11)	(7)	(230)	(230)	(230)	(230)	24	7	7
NET INCREASE/ (DECREASE) IN CASH HELD		10 538	(2 949)	1 416	(587)	(587)	(587)	(587)	(1 572)	(0)	(0)
Cash/cash equivalents at the year begin:	2	(1 184)	9 353	6 404	2 887	2 360	2 360	2 360	1 772	200	200
Cash/cash equivalents at the year end:	2	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2011/12 and 2017/18.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A deficit would indicate the cash-backed accumulated surplus that was/is available.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Other current investments > 90 days		-	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Application of cash and investments											
Unspent conditional transfers		10 527	9 305	10 562	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	3 339	2 216	5 601	5 695	7 185	7 185	7 185	10 220	15 839	20 003
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		13 866	11 521	16 162	5 695	7 185	7 185	7 185	10 220	15 839	20 003
Surplus/(shortfall)		(4 513)	(5 117)	(8 342)	(3 395)	(5 412)	(5 412)	(5 412)	(10 020)	(15 639)	(19 803)

From the above table it can be seen that the cash and investments available total R200 thousand in the 2015/16 financial year and R200 thousand by 2017/18, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44 MBRR SA10 – Funding compliance measurement

Choose name from list Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Funding measures</u>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	9 353	6 404	7 820	2 300	1 772	1 772	1 772	200	200	200
Cash + investments at the yr end less applications - R'000	18(1)b	2	(4 513)	(5 117)	(8 342)	(3 395)	(5 412)	(5 412)	(5 412)	(10 020)	(15 639)	(19 803)
Cash year end/monthly employee/supplier payments	18(1)b	3	4.2	2.6	2.2	0.8	0.6	0.6	0.6	0.1	0.1	0.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(2 080)	681	(5 219)	19 597	19 182	19 182	19 182	8 150	6 363	6 129
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	15.7%	10.8%	14.4%	(11.4%)	(6.0%)	(6.0%)	18.8%	0.6%	0.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.0%	62.6%	51.2%	79.6%	78.9%	78.9%	78.9%	32.7%	29.5%	29.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	37.8%	33.1%	56.0%	13.3%	14.3%	14.3%	14.3%	16.4%	15.4%	14.5%
Capital payments % of capital expenditure	18(1)c:19	8	85.8%	50.7%	0.0%	100.0%	104.2%	104.2%	104.2%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	32.7%	(0.8%)	52.0%	(74.1%)	0.0%	0.0%	583.9%	99.3%	53.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.7%	2.0%	1.4%	1.7%	1.8%	1.8%	1.8%	1.7%	1.8%	1.8%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.5.1 Cash/cash equivalent position

The municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.4 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.6.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.6.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

All longterm laons were redeemed.

2.6.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.9 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables.

2.6.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

2.8 Councillor and employee benefits

Table 47 MBRR SA22 - Summary of councillor and staff benefits

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		1 190	1 256	1 231	1 318	1 318	1 318	1 318	1 379	1 447
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance		92	99	94	410	439	439	439	460	482
Cellphone Allowance		397	419	410	101	101	101	101	106	111
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		1 679	1 774	1 736	1 829	1 858	1 858	1 858	1 944	2 040
% increase	4		5.7%	(2.1%)	5.3%	1.6%	-	-	4.6%	4.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 450	1 190	712	1 232	780	780	1 559	1 649	1 745
Pension and UIF Contributions		153	63	166	270	199	199	74	78	82
Medical Aid Contributions		146	46	70	148	126	126	56	59	63
Overtime										
Performance Bonus		134	106	43	109	112	112	141	149	158
Motor Vehicle Allowance	3	269	397	232	410	325	325	308	326	345
Cellphone Allowance	3	36	33	14	31	43	43			
Housing Allowances	3	21	11	21						
Other benefits and allowances	3							305	323	342
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		2 209	1 846	1 258	2 201	1 585	1 585	2 443	2 584	2 734
% increase	4		(16.5%)	(31.8%)	74.9%	(28.0%)	-	54.1%	5.8%	5.8%
Other Municipal Staff										
Basic Salaries and Wages		3 607	5 418	7 288	9 964	9 210	9 210	10 196	10 652	11 159
Pension and UIF Contributions		(65)	992	837	1 636	1 240	1 240	1 337	1 399	1 467
Medical Aid Contributions		623	695	191	540	420	420	428	448	469
Overtime		521	324	680	787	737	737	830	869	912
Performance Bonus			417	469	754	741	741	738	771	807
Motor Vehicle Allowance	3	289	90	-	163	62	62	90	90	92
Cellphone Allowance	3		26	6	43	24	24			
Housing Allowances	3	32	14	64	4	4	4	15	15	16
Other benefits and allowances	3	1 471	1 122	2	768	1 188	1 188	946	986	1 032
Payments in lieu of leave			170	139	278	272	272	345	361	378
Long service awards				15				30	31	33
Post-retirement benefit obligations	6			196	352	439	439	461	482	506
Sub Total - Other Municipal Staff		6 479	9 268	9 888	15 290	14 337	14 337	15 416	16 105	16 870
% increase	4		43.1%	6.7%	54.6%	(6.2%)	-	7.5%	4.5%	4.8%
Total Parent Municipality		10 367	12 888	12 883	19 319	17 779	17 779	19 716	20 633	21 644
			24.3%	(0.0%)	50.0%	(8.0%)	-	10.9%	4.7%	4.9%

Choose name from list - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4							-
Chief Whip								-
Executive Mayor			470 950	-	178 260			649 210
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors			846 720		362 160			1 208 880
Total Councillors	8	-	1 317 670	-	540 420			1 858 090
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			639 920	7 799	283 980	64 000		995 699
Chief Finance Officer			309 100	115 159	115 040	25 760		565 059
Technical Manager			305 000	3 374	107 040	25 500		440 914
Corporate Services Manager			305 000	3 374	107 040	25 510		440 924
								-
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	1 559 020	129 706	613 100	140 770		2 442 590

Table 49 MBRR SA24 – Summary of personnel numbers

NC067 Khai-Ma - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Number	1,2									
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		7	7	7	7	7	7	7	7	7
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	4	4	4	3	3	3	4	4	4
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		-	-	-	-	-	-	3	3	3
Finance		-	-	-	-	-	-	3	3	3
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Technicians		31	31	31	33	33	33	59	59	59
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		2	2	2	2	2	2	3	3	3
Electricity		1	1	1	2	2	2	2	2	2
Water		9	9	9	9	9	9	17	17	17
Sanitation		9	9	9	9	9	9	17	17	17
Refuse		9	9	9	9	9	9	17	17	17
Other		1	1	1	2	2	2	3	3	3
Clerks (Clerical and administrative)		29	29	29	30	30	30	28	28	28
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		3	3	3	3	3	3	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	74	74	74	76	76	76	101	101	101
% increase					2.7%	2.7%	2.7%	32.9%	32.9%	32.9%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.9 Monthly targets for revenue, expenditure and cash flow

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	26 829	27 870	29 128
Executive and council		114	114	114	114	114	114	114	114	114	114	114	114	1 368	1 430	1 493
Budget and treasury office		1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	20 690	21 431	22 325
Corporate services		398	398	398	398	398	398	398	398	398	398	398	398	4 771	5 010	5 310
<i>Community and public safety</i>		86	86	86	86	86	86	86	86	86	86	86	86	1 035	1 134	1 220
Community and social services		86	86	86	86	86	86	86	86	86	86	86	86	1 035	1 134	1 220
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 030	8 217
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 030	8 217
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	20 297	22 052	22 393
Electricity		897	897	897	897	897	897	897	897	897	897	897	897	10 768	11 952	11 686
Water		579	579	579	579	579	579	579	579	579	579	579	579	6 951	7 368	7 810
Waste water management		118	118	118	118	118	118	118	118	118	118	118	118	1 419	1 504	1 595
Waste management		97	97	97	97	97	97	97	97	97	97	97	97	1 158	1 228	1 302
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	56 062	59 087	60 958
Expenditure - Standard																
<i>Governance and administration</i>		1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	16 764	17 602	18 443
Executive and council		413	413	413	413	413	413	413	413	413	413	413	413	4 961	5 183	5 392
Budget and treasury office		494	494	494	494	494	494	494	494	494	494	494	494	5 928	6 260	6 582
Corporate services		490	490	490	490	490	490	490	490	490	490	490	490	5 875	6 160	6 469
<i>Community and public safety</i>		256	256	256	256	256	256	256	256	256	256	256	256	3 073	3 172	3 277
Community and social services		188	188	188	188	188	188	188	188	188	188	188	188	2 253	2 317	2 385
Sport and recreation		47	47	47	47	47	47	47	47	47	47	47	47	569	590	611
Public safety		21	21	21	21	21	21	21	21	21	21	21	21	(231)	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	252	266	281
<i>Economic and environmental services</i>		211	211	211	211	211	211	211	211	211	211	211	211	2 527	2 636	2 752
Planning and development		76	76	76	76	76	76	76	76	76	76	76	76	910	954	1 002
Road transport		135	135	135	135	135	135	135	135	135	135	135	135	1 616	1 682	1 751
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	25 557	27 338	29 341
Electricity		814	814	814	814	814	814	814	814	814	814	814	814	9 773	10 745	11 887
Water		720	720	720	720	720	720	720	720	720	720	720	720	8 639	9 146	9 701
Waste water management		313	313	313	313	313	313	313	313	313	313	313	313	3 760	3 919	4 087
Waste management		282	282	282	282	282	282	282	282	282	282	282	282	3 386	3 527	3 667
Other		20	20	20	20	20	20	20	20	20	20	20	20	238	250	262
Total Expenditure - Standard		4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	48 160	50 999	54 076
Surplus/(Deficit) before assoc.		658	658	658	658	658	658	658	658	658	658	658	658	7 902	8 088	6 881
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	658	658	658	658	658	658	658	658	658	658	658	658	7 902	8 088	6 881
References																
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue By Source																
Property rates		375	375	375	375	375	375	375	375	375	375	375	375	4 496	4 766	5 051
Property rates - penalties & collection charges		4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Service charges - electricity revenue		767	767	767	767	767	767	767	767	767	767	767	767	9 210	9 890	10 621
Service charges - water revenue		542	542	542	542	542	542	542	542	542	542	542	542	6 506	6 897	7 310
Service charges - sanitation revenue		112	112	112	112	112	112	112	112	112	112	112	112	1 339	1 420	1 505
Service charges - refuse revenue		88	88	88	88	88	88	88	88	88	88	88	88	1 058	1 122	1 189
Service charges - other		3	3	3	3	3	3	3	3	3	3	3	3	33	35	37
Rental of facilities and equipment		9	9	9	9	9	9	9	9	9	9	9	9	112	119	126
Interest earned - external investments		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Interest earned - outstanding debtors		54	54	54	54	54	54	54	54	54	54	54	54	653	692	734
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1	1	1	1	1	1	1	1	1	1	1	1	15	16	17
Licences and permits		3	3	3	3	3	3	3	3	3	3	3	3	35	37	40
Agency services		14	14	14	14	14	14	14	14	14	14	14	14	163	173	183
Transfers recognised - operational		1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	19 536	20 134	20 910
Other revenue		-	-	-	-	-	-	-	-	-	-	-	4 511	4 511	4 782	5 069
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	3 609	8 120	47 818	50 241	52 960
Expenditure By Type																
Employee related costs		1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	17 858	18 689	19 605
Remuneration of councillors		155	155	155	155	155	155	155	155	155	155	155	155	1 858	1 944	2 040
Debt impairment		311	311	311	311	311	311	311	311	311	311	311	311	3 730	3 730	3 730
Depreciation & asset impairment		224	224	224	224	224	224	224	224	224	224	224	224	2 689	2 689	2 689
Finance charges		24	24	24	24	24	24	24	24	24	24	24	24	283	244	220
Bulk purchases		897	897	897	897	897	897	897	897	897	897	897	897	10 759	12 072	13 545
Other materials		142	142	142	142	142	142	142	142	142	142	142	142	1 706	1 807	1 908
Contracted services		0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-	-	-	9 241	9 241	9 786	10 334
Loss on disposal of PPE		3	3	3	3	3	3	3	3	3	3	3	3	30	31	-
Total Expenditure		3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	12 484	48 160	50 999	54 076
Surplus/(Deficit)																
Transfers recognised - capital		687	687	687	687	687	687	687	687	687	687	687	687	8 244	8 846	7 997
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	(3 677)	7 902	8 088	6 881

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Choose name from list - Supporting Table S425 Budgeted monthly revenue and expenditure														Medium Term Revenue and Expenditure Framework			
Description	Ref	Budget Year 2015/16												Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June				
Revenue By Source																	
Property rates		375	375	375	375	375	375	375	375	375	375	375	375	375	4 496	4 766	5 051
Property rates - penalties & collection charges		4	4	4	4	4	4	4	4	4	4	4	4	4	50	53	56
Service charges - electricity revenue		767	767	767	767	767	767	767	767	767	767	767	767	767	9 210	9 890	10 621
Service charges - water revenue		542	542	542	542	542	542	542	542	542	542	542	542	542	6 506	6 897	7 310
Service charges - sanitation revenue		112	112	112	112	112	112	112	112	112	112	112	112	112	1 339	1 420	1 505
Service charges - refuse revenue		88	88	88	88	88	88	88	88	88	88	88	88	88	1 058	1 122	1 189
Service charges - other		3	3	3	3	3	3	3	3	3	3	3	3	3	33	35	37
Rental of facilities and equipment		9	9	9	9	9	9	9	9	9	9	9	9	9	112	119	126
Interest earned - external investments		8	8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Interest earned - outstanding debtors		54	54	54	54	54	54	54	54	54	54	54	54	54	653	692	734
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1	1	1	1	1	1	1	1	1	1	1	1	1	15	16	17
Licences and permits		3	3	3	3	3	3	3	3	3	3	3	3	3	35	37	40
Agency services		14	14	14	14	14	14	14	14	14	14	14	14	14	163	173	183
Transfers recognised - operational		1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	1 549	18 592	19 176	19 930
Other revenue		-	-	-	-	-	-	-	-	-	-	-	-	5 455	5 455	5 767	6 049
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		3 530	3 530	3 530	3 530	3 530	3 530	3 530	3 530	3 530	3 530	3 530	3 530	8 986	47 818	50 268	52 960
Expenditure By Type																	
Employee related costs		1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	1 488	17 858	18 689	19 605
Remuneration of councillors		155	155	155	155	155	155	155	155	155	155	155	155	155	1 858	1 944	2 040
Debt impairment		311	311	311	311	311	311	311	311	311	311	311	311	311	3 730	3 730	3 730
Depreciation & asset impairment		224	224	224	224	224	224	224	224	224	224	224	224	224	2 689	2 689	2 689
Finance charges		24	24	24	24	24	24	24	24	24	24	24	24	24	283	244	220
Bulk purchases		897	897	897	897	897	897	897	897	897	897	897	897	897	10 759	12 072	13 545
Other materials		142	142	142	142	142	142	142	142	142	142	142	142	142	1 706	1 807	1 908
Contracted services		0	0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-	-	-	-	9 241	9 241	9 786	10 334
Loss on disposal of PPE		3	3	3	3	3	3	3	3	3	3	3	3	3	30	31	-
Total Expenditure		3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	12 484	48 160	50 999	54 076
Surplus/(Deficit)																	
Transfers recognised - capital		687	687	687	687	687	687	687	687	687	687	687	687	687	8 244	6 846	6 997
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		974	974	974	974	974	974	974	974	974	974	974	974	(2 812)	7 902	6 115	5 881
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	974	974	974	974	974	974	974	974	974	974	974	974	(2 812)	7 902	6 115	5 881

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																							
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework									
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18							
Revenue by Vote																							
Vote1 - Municipal Manager		114	114	114	114	114	114	114	114	114	114	114	114	1 368	1 430	1 493							
Vote2 - Finance		2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	25 515	26 545	27 746							
Vote3 - Corporate Services		100	100	100	100	100	100	100	100	100	100	100	100	1 194	1 255	1 348							
Vote4 - Infrastructure Development		2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	2 332	27 985	27 883	29 370							
Total Revenue by Vote		4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	56 062	57 114	59 958							
Expenditure by Vote to be appropriated																							
Vote1 - Municipal Manager		413	413	413	413	413	413	413	413	413	413	413	413	4 961	5 183	5 392							
Vote2 - Finance		509	509	509	509	509	509	509	509	509	509	509	509	6 104	6 446	6 779							
Vote3 - Corporate Services		685	685	685	685	685	685	685	685	685	685	685	685	8 215	8 569	8 952							
Vote4 - Infrastructure Development		2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	27 731	29 597	31 689							
Vote5 - Economic Development		96	96	96	96	96	96	96	96	96	96	96	96	1 148	1 204	1 264							
Total Expenditure by Vote		4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	48 160	50 999	54 076							
Surplus/(Deficit) before assoc.		658	658	658	658	658	658	658	658	658	658	658	658	7 902	6 115	5 881							
Surplus/(Deficit)	1	658	658	658	658	658	658	658	658	658	658	658	658	7 902	6 115	5 881							

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Choose name from list - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	2 236	26 829	27 870	29 128
Executive and council		114	114	114	114	114	114	114	114	114	114	114	114	1 368	1 430	1 493
Budget and treasury office		1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	1 724	20 690	21 431	22 325
Corporate services		398	398	398	398	398	398	398	398	398	398	398	398	4 771	5 010	5 310
<i>Community and public safety</i>		86	86	86	86	86	86	86	86	86	86	86	86	1 035	1 134	1 220
Community and social services		86	86	86	86	86	86	86	86	86	86	86	86	1 035	1 134	1 220
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 057	8 217
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		658	658	658	658	658	658	658	658	658	658	658	658	7 901	8 057	8 217
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	1 691	20 297	20 052	21 393
Electricity		897	897	897	897	897	897	897	897	897	897	897	897	10 768	9 952	10 686
Water		579	579	579	579	579	579	579	579	579	579	579	579	6 951	7 368	7 810
Waste water management		118	118	118	118	118	118	118	118	118	118	118	118	1 419	1 504	1 595
Waste management		97	97	97	97	97	97	97	97	97	97	97	97	1 158	1 228	1 302
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	4 672	56 062	57 114	59 958
Expenditure - Standard																
<i>Governance and administration</i>		1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	1 397	16 764	17 602	18 443
Executive and council		413	413	413	413	413	413	413	413	413	413	413	413	4 961	5 183	5 392
Budget and treasury office		494	494	494	494	494	494	494	494	494	494	494	494	5 928	6 260	6 582
Corporate services		490	490	490	490	490	490	490	490	490	490	490	490	5 875	6 160	6 469
<i>Community and public safety</i>		256	256	256	256	256	256	256	256	256	256	256	256	3 073	3 172	3 277
Community and social services		188	188	188	188	188	188	188	188	188	188	188	188	2 253	2 317	2 385
Sport and recreation		47	47	47	47	47	47	47	47	47	47	47	47	569	590	611
Public safety		21	21	21	21	21	21	21	21	21	21	21	(231)	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	252	266	281
<i>Economic and environmental services</i>		211	211	211	211	211	211	211	211	211	211	211	211	2 527	2 636	2 752
Planning and development		76	76	76	76	76	76	76	76	76	76	76	76	910	954	1 002
Road transport		135	135	135	135	135	135	135	135	135	135	135	135	1 616	1 682	1 751
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	2 130	25 557	27 338	29 341
Electricity		814	814	814	814	814	814	814	814	814	814	814	814	9 773	10 745	11 887
Water		720	720	720	720	720	720	720	720	720	720	720	720	8 639	9 146	9 701
Waste water management		313	313	313	313	313	313	313	313	313	313	313	313	3 760	3 919	4 087
Waste management		282	282	282	282	282	282	282	282	282	282	282	282	3 386	3 527	3 667
Other		20	20	20	20	20	20	20	20	20	20	20	20	238	250	262
Total Expenditure - Standard		4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	4 013	48 160	50 999	54 076
Surplus/(Deficit) before assoc.		658	658	658	658	658	658	658	658	658	658	658	658	7 902	6 115	5 881
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	658	658	658	658	658	658	658	658	658	658	658	658	7 902	6 115	5 881

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)														Medium term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2015/16												Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June			
<u>Multi-year expenditure to be appropriated</u>	1															
Vote1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Development		687	687	687	687	687	687	687	687	687	687	687	687	8 244	6 846	6 997
Capital multi-year expenditure sub-total	2	687	687	687	687	687	687	687	687	687	687	687	687	8 244	6 846	6 997
<u>Single-year expenditure to be appropriated</u>																
Vote1 - Municipal Manager		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Vote2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote5 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Total Capital Expenditure	2	695	695	695	695	695	695	695	695	695	695	695	695	8 344	6 846	6 997

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Executive and council		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		562	562	562	562	562	562	562	562	562	562	562	562	6 744	6 846	6 997
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		562	562	562	562	562	562	562	562	562	562	562	562	6 744	6 846	6 997
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		125	125	125	125	125	125	125	125	125	125	125	125	1 500	-	-
Electricity		125	125	125	125	125	125	125	125	125	125	125	125	1 500	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	695	695	695	695	695	695	695	695	695	695	695	695	8 344	6 846	6 997
Funded by:																
National Government		562	562	562	562	562	562	562	562	562	562	562	562	6 744	6 846	6 997
Provincial Government		125	125	125	125	125	125	125	125	125	125	125	125	1 500	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		687	687	687	687	687	687	687	687	687	687	687	687	8 244	6 846	6 997
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8	8	8	8	8	8	8	8	8	8	8	8	100	-	-
Total Capital Funding		695	695	695	695	695	695	695	695	695	695	695	695	8 344	6 846	6 997

Table 55 MBRR SA30 - Budgeted monthly cash flow

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	94 703.75	95	95	95	95	95	95	95	95	95	95	95	1 136	1 205	1 277
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	100	83	66	58	58	66	66	66	58	66	66	75	831	902	980
Service charges - water revenue	47	41	47	47	53	70	59	47	41	41	47	47	587	629	675
Service charges - sanitation revenue	10	10	10	10	10	10	10	10	10	10	10	10	121	130	139
Service charges - refuse revenue	8	8	8	8	8	8	8	8	8	8	8	8	96	102	110
Service charges - other	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Rental of facilities and equipment	11	11	11	11	11	11	11	11	11	11	11	11	133	119	126
Interest earned - external investments	8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Interest earned - outstanding debtors	5	5	5	5	5	5	5	5	5	5	5	5	59	63	68
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1	1	1	1	1	1	1	1	1	1	1	1	18	16	17
Licences and permits	3	3	3	3	3	3	3	3	3	3	3	3	42	37	40
Agency services	16	16	16	16	16	16	16	16	16	16	16	16	194	173	183
Transfer receipts - operational	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	1 628	19 536	20 134	20 910
Other revenue	-	-	-	-	-	-	-	-	-	-	-	5 364	5 364	4 782	5 069
Cash Receipts by Source	1 933	1 911	1 900	1 892	1 897	1 923	1 912	1 900	1 886	1 894	1 900	7 272	28 219	28 402	29 707
Other Cash Flows by Source															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	8 244	8 244	8 846	7 997
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	3	3	3	3	3	3	3	3	3	3	3	3	35	7	7
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	1 936	1 914	1 903	1 894	1 900	1 926	1 915	1 903	1 889	1 897	1 903	15 519	36 498	37 254	37 712
Cash Payments by Type															
Employee related costs	969	969	969	969	1 939	969	969	969	969	969	969	969	12 602	11 881	12 189
Remuneration of councillors	109	109	109	109	109	109	109	109	109	109	109	109	1 311	1 236	1 268
Finance charges	24	24	24	24	24	24	24	24	24	24	24	24	283	244	220
Bulk purchases - Electricity	692	577	462	404	404	462	462	462	404	462	462	519	5 769	5 832	6 399
Bulk purchases - Water & Sewer	146	128	146	146	164	219	182	146	128	128	146	146	1 823	1 843	2 022
Other materials	100	100	100	100	100	100	100	100	100	100	100	100	1 204	1 149	1 186
Contracted services	0	0	0	0	0	0	0	0	0	0	0	0	4	3	3
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	543	543	543	543	543	543	543	543	543	543	543	543	6 521	6 221	6 426
Cash Payments by Type	2 584	2 451	2 354	2 296	3 283	2 427	2 390	2 354	2 278	2 335	2 354	2 411	29 516	28 409	29 715
Other Cash Flows/Payments by Type															
Capital assets	695	695	695	695	695	695	695	695	695	695	695	695	8 344	8 846	7 997
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	11	11	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	3 280	3 146	3 049	2 991	3 979	3 122	3 085	3 049	2 973	3 031	3 049	3 117	37 871	37 254	37 712
NET INCREASE/(DECREASE) IN CASH HELD	(1 344)	(1 233)	(1 146)	(1 097)	(2 078)	(1 196)	(1 171)	(1 146)	(1 084)	(1 134)	(1 146)	12 402	(1 372)	(0)	(0)
Cash/cash equivalents at the month/year begin:	1 772	429	(804)	(1 950)	(3 047)	(5 125)	(6 321)	(7 491)	(8 638)	(9 722)	(10 856)	(12 002)	1 772	400	400
Cash/cash equivalents at the month/year end:	429	(604)	(1 950)	(3 047)	(5 125)	(6 321)	(7 491)	(8 638)	(9 722)	(10 856)	(12 002)	400	400	400	400

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2.10 Annual budgets and SDBIPs – internal departments

2.10.1 Water Services Department –

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	2 044	2 433	2 810	3 319	3 000	3 000	3 000	4 496	4 766	5 051
Property rates - penalties & collection charges		–	–	77	100	80	80	80	50	53	56
Service charges - electricity revenue	2	3 940	4 711	5 743	6 763	6 958	6 958	6 958	9 210	9 890	10 621
Service charges - water revenue	2	4 137	5 267	5 680	6 599	6 325	6 325	6 325	6 506	6 897	7 310
Service charges - sanitation revenue	2	637	719	893	1 631	1 015	1 015	1 015	1 339	1 420	1 505
Service charges - refuse revenue	2	474	527	678	763	763	763	763	1 058	1 122	1 189
Service charges - other		–	17	86	48	49	49	49	33	35	37
Rental of facilities and equipment		129	139	173	1 083	123	123	123	112	119	126
Interest earned - external investments		351	299	367	200	200	200	200	100	106	112
Interest earned - outstanding debtors		854	929	5 534	648	648	648	648	653	692	734
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		17	17	3	30	30	30	30	15	16	17
Licences and permits		29	26	28	36	36	36	36	35	37	40
Agency services		110	118	134	135	135	135	135	163	173	183
Transfers recognised - operational		20 651	20 762	25 113	23 216	24 590	24 590	24 590	18 592	19 176	19 930
Other revenue	2	598	606	2 583	3 979	8 534	8 534	8 534	5 455	5 767	6 049
Gains on disposal of PPE		–	–	0	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		33 974	36 569	49 902	48 549	52 484	52 484	52 484	47 818	50 268	52 960
Expenditure By Type											
Employee related costs	2	8 492	11 219	12 980	17 461	15 922	15 922	15 922	17 858	18 689	19 605
Remuneration of councillors		1 587	1 736	1 736	1 858	1 858	1 858	1 858	1 858	1 944	2 040
Debt impairment	3	4 249	4 520	8 934	2 550	2 600	2 600	2 600	3 730	3 730	3 730
Depreciation & asset impairment	2	2 094	2 161	5 846	2 886	2 263	2 263	2 263	2 689	2 689	2 689
Finance charges		658	511	444	226	376	376	376	283	244	220
Bulk purchases	2	4 951	6 327	8 430	7 327	8 277	8 277	8 277	10 759	12 072	13 545
Other materials	8	–	1 306	751	1 633	1 871	1 871	1 871	1 706	1 807	1 908
Contracted services		242	267	289	5	165	165	165	5	5	6
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	16 873	12 499	23 670	15 013	19 245	19 245	19 245	9 241	9 786	10 334
Loss on disposal of PPE		189	23	34	25	25	25	25	30	31	–
Total Expenditure		39 336	40 569	63 113	48 985	52 602	52 602	52 602	48 160	50 999	54 076
Surplus/(Deficit)		(5 362)	(3 999)	(13 211)	(436)	(118)	(118)	(118)	(342)	(730)	(1 116)
Transfers recognised - capital		3 147	4 545	7 596	19 897	19 052	19 052	19 052	8 244	6 846	6 997
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881

Table 19 Water Services Department – Performance objectives and indicators

The Infrastructure Manager is currently not appointed. The reduction of distribution losses is considered a priority and hence the departmental objectives and targets. In relation to this

target, past performance has been irregular with a total distribution loss of 24 per cent in 2013/2014,

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

2.11 Contracts having future budgetary implications

In terms of the municipalities Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipalities capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class

Choose name from list - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		2 270	6 050	–	15 530	16 268	16 268	8 244	6 846	6 997
Infrastructure - Road transport		431	3 450	–	8 699	11 497	11 497	6 744	6 846	6 997
Roads, Pavements & Bridges		431	3 450		8 699	11 497	11 497	6 744	6 846	6 997
Storm water		–	–		–	–	–	–	–	–
Infrastructure - Electricity		41	1 000	–	3 000	1 600	1 600	1 500	–	–
Generation		–	–		–	–	–	–	–	–
Transmission & Reticulation		41	1 000		3 000	1 600	1 600	1 500	–	–
Street Lighting		–	–		–	–	–	–	–	–
Infrastructure - Water		1 552	–	–	880	1 030	1 030	–	–	–
Dams & Reservoirs		–	–		–	–	–	–	–	–
Water purification		–	–		–	–	–	–	–	–
Reticulation		1 552	–		880	1 030	1 030	–	–	–
Infrastructure - Sanitation		70	1 600	–	2 951	2 140	2 140	–	–	–
Reticulation		70	1 600		2 951	2 140	2 140	–	–	–
Sewerage purification		–	–		–	–	–	–	–	–
Infrastructure - Other		176	–	–	–	–	–	–	–	–
Waste Management		176	–		–	–	–	–	–	–
Transportation		–	–		–	–	–	–	–	–
Gas		–	–		–	–	–	–	–	–
Other		–	–		–	–	–	–	–	–
Community		502	1 455	–	1 167	–	–	–	–	–
Parks & gardens		–	–		–	–	–	–	–	–
Sportsfields & stadia		–	–		–	–	–	–	–	–
Swimming pools		–	–		–	–	–	–	–	–
Community halls		–	1 446		1 167	–	–	–	–	–
Libraries		85	9		–	–	–	–	–	–
Recreational facilities		–	–		–	–	–	–	–	–
Fire, safety & emergency		–	–		–	–	–	–	–	–
Security and policing		–	–		–	–	–	–	–	–
Buses		–	–		–	–	–	–	–	–
Clinics		416	–		–	–	–	–	–	–
Museums & Art Galleries		–	–		–	–	–	–	–	–
Cemeteries		–	–		–	–	–	–	–	–
Social rental housing		–	–		–	–	–	–	–	–
Other		–	–		–	–	–	–	–	–
Heritage assets		2	–	–	–	–	–	–	–	–
Buildings		2	–		–	–	–	–	–	–
Other		–	–		–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Housing development		–	–		–	–	–	–	–	–
Other		–	–		–	–	–	–	–	–
Other assets		566	1 560	–	3 290	3 304	3 304	100	–	–
General vehicles		136	1 200		–	240	240	–	–	–
Specialised vehicles		–	–	–	3 200	2 804	2 804	–	–	–
Plant & equipment		146	–		–	–	–	–	–	–
Computers - hardware/equipment		90	100		–	70	70	–	–	–
Furniture and other office equipment		195	80		60	160	160	100	–	–
Abattoirs		–	–		–	–	–	–	–	–
Markets		–	–		–	–	–	–	–	–
Civic Land and Buildings		–	–		–	–	–	–	–	–
Other Buildings		–	180		–	–	–	–	–	–
Other Land		–	–		–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–		–	–	–	–	–	–
Other		–	–		30	30	30	–	–	–
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–		–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class		–	–		–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming		–	–		–	–	–	–	–	–
Other (list sub-class)		–	–		–	–	–	–	–	–
Total Capital Expenditure on new assets	1	3 339	9 064	–	19 987	19 572	19 572	8 344	6 846	6 997
Specialised vehicles		–	–	–	3 200	2 804	2 804	–	–	–
Refuse		–	–		3 200	2 804	2 804	–	–	–
Fire		–	–		–	–	–	–	–	–
Conservancy		–	–		–	–	–	–	–	–
Ambulances		–	–		–	–	–	–	–	–

Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class

Choose name from list - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		552	592	685	985	1 005	1 005	950	1 006	1 062
Infrastructure - Road transport		9	8	3	30	30	30	50	53	56
Roads, Pavements & Bridges		9	8	3	30	30	30	50	53	56
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		99	203	271	380	380	380	200	212	224
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		99	203	271	380	380	380	200	212	224
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		374	369	376	530	550	550	550	582	615
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		374	369	376	530	550	550	550	582	615
Infrastructure - Sanitation		16	-	4	30	30	30	50	53	56
Reticulation		-	-	4	30	30	30	50	53	56
Sewerage purification		16	-	-	-	-	-	-	-	-
Infrastructure - Other		54	13	31	15	15	15	100	106	112
Waste Management		54	13	31	15	15	15	100	106	112
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		9	159	11	40	50	50	55	58	62
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	14	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		5	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		4	9	8	15	15	15	55	58	62
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	3	25	35	35	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other	8	-	137	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	150	150	150	100	106	112
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	150	150	150	100	106	112
Other assets		502	560	566	733	823	823	887	939	991
General vehicles		267	412	359	450	535	535	500	530	559
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		44	-	7	30	30	30	40	42	45
Computers - hardware/equipment		55	93	156	120	120	120	170	180	190
Furniture and other office equipment		46	4	0	67	72	72	65	69	73
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		90	23	31	56	56	56	97	102	108
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	26	12	10	10	10	15	16	17
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	1 063	1 311	1 262	1 908	2 028	2 028	1 992	2 109	2 227

Table 61 MBRR SA35 - Future financial implications of the capital budget

Choose name from list - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description R thousand	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote1 - Municipal Manager		100	-	-				
Vote2 - Finance		-	-	-				
Vote3 - Corporate Services		-	-	-				
Vote4 - Infrastructure Development		8 244	6 846	6 997				
Vote5 - Economic Development		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		8 344	6 846	6 997	-	-	-	-
Future operational costs by vote	2							
Vote1 - Municipal Manager								
Vote2 - Finance								
Vote3 - Corporate Services								
Vote4 - Infrastructure Development								
Vote5 - Economic Development								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		8 344	6 846	6 997	-	-	-	-

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Choose name from list - Supporting Table SA36 Detailed capital budget

Choose name from list - Supporting Table SAGS Detailed Capital Budget														
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	4				6	3	3	5		Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>														
Council General		Office Equipment		Ensur	Yes	Other	Furniture and other office equipment		60	24	100	100	-	-
Municipal and Public Buildings		MIG:Community Halls			Yes	Community	Community halls		1 167	3 322	-			
Roads		EPWP: Roads and Strom water	KH010/201	Meet	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-29,034774° 19,155044°	1 000	796	-	-	-	-
Roads		MIG: Roads and Storm water	KH010/201	Meet	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-29,034774° 19,155044°	7 347		10 797	6 744	6 846	6 997
Water		Development 198 Plots	H14/01/20	Meet	Yes	Infrastructure - Water	Reticulation	-29,127012° 19,387398°	880	1 224	880			
Sewerage		Development 198 Plots	H14/01/20	Meet	Yes	Infrastructure - Sanitation	Reticulation	-29,127012° 19,387398°	2 311	2 951	1 500			
Roads		Development 198 Plots	H14/01/20	Meet	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	-29,127012° 19,387398°	351	482	700			
Electricity		Development 198 Plots	H14/01/20	Meet	Yes	Infrastructure - Water	Reticulation		-	92	700			
Public Works		TV Transposer	KH016/201	Creat	Yes	Other	Other	-28,514212° -18,401856°	30		30	1 500		
Electricity		Upgrade Electricity	KH012/201	Meet	Yes	Transmission & Reticulation	Transmission & Reticulation	-28,514212° -18,401856°	3 000	1 175	900			
Public Works		Refuse Trucks	KH011/201	Creat	Yes	Refuse	Truck & LDV		3 200		2 804			
Sewerage		Sewerage Reticulation	H14/01/20	Meet	Yes	Reticulation	Reticulation	-29,116430° 19,387691°	640	-	640			
Public Works		Vehicles		Meet	Yes	Infrastructure - Water	Specialised vehicles - Refuse		-		240			
Council General		Office Equipment		Meet	Yes	Other	Furniture and other office equipment		-	70	60			
Council General		Recording System		Meet	Yes	Infrastructure - Water	Computers - hardware/equipment		-	173	70			
Water		Pumps		Meet	Yes	Infrastructure - Water	Reticulation		-		150			
Parent Capital expenditure	1											8 344	6 846	6 997

Table 63 MBRR SA37 - Projects delayed from previous financial year

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance of the municipality.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
The Namakwa District Municipality established a Audit Committee. This committee is established to service three municipalities in the Namakwa region.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2014/15 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1197 of 28 May 2008. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		15 963	17 215	11 850	13 125	13 029	13 029	13 029	14 613	15 490	16 419
less Revenue Foregone		13 919	14 782	9 039	9 805	10 029	10 029	10 029	10 117	10 724	11 368
Net Property Rates		2 044	2 433	2 810	3 319	3 000	3 000	3 000	4 496	4 766	5 051
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		4 337	5 158	6 208	7 243	7 438	7 438	7 438	9 664	10 378	11 145
less Revenue Foregone		398	446	466	480	480	480	480	455	488	524
Net Service charges - electricity revenue		3 940	4 711	5 743	6 763	6 958	6 958	6 958	9 210	9 890	10 621
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		5 742	7 131	8 120	9 350	9 076	9 076	9 076	10 179	10 790	11 437
less Revenue Foregone		1 604	1 864	2 440	2 751	2 751	2 751	2 751	3 673	3 893	4 127
Net Service charges - water revenue		4 137	5 267	5 680	6 599	6 325	6 325	6 325	6 506	6 897	7 310
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		1 799	1 978	2 439	3 538	2 735	2 735	2 735	3 479	3 688	3 909
less Revenue Foregone		1 162	1 260	1 547	1 907	1 720	1 720	1 720	2 140	2 269	2 405
Net Service charges - sanitation revenue		637	719	893	1 631	1 015	1 015	1 015	1 339	1 420	1 505
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		1 676	1 838	2 242	2 558	2 558	2 558	2 558	3 073	3 257	3 452
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone		1 202	1 310	1 564	1 795	1 795	1 795	1 795	2 014	2 135	2 263
Net Service charges - refuse revenue		474	527	678	763	763	763	763	1 058	1 122	1 189
<u>Other Revenue by source</u>											
Other revenue		598	606	2 583	3 979	8 534	8 534	8 534	5 455	5 767	6 049

Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		2 094	2 161	1 920	2 886	2 263	2 263	2 263	2 689	2 689
Lease amortisation		-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	3 926	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	2 094	2 161	5 846	2 886	2 263	2 263	2 263	2 689	2 689
Bulk purchases										
Electricity Bulk Purchases		3 302	4 218	6 050	4 890	5 840	5 840	5 840	8 176	9 173
Water Bulk Purchases		1 649	2 109	2 380	2 438	2 438	2 438	2 438	2 583	2 899
Total bulk purchases	1	4 951	6 327	8 430	7 327	8 277	8 277	8 277	10 759	12 072
Transfers and grants										
Cash transfers and grants		-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-
Contracted services										
VAT Investigation Cost		-	-	-	-	-	-	-	-	-
Job Evaluations		-	-	-	5	5	5	5	5	6
Refuse		-	-	-	-	-	-	-	-	-
Electricity		242	267	289	-	160	160	160	-	-
sub-total	1	242	267	289	5	165	165	165	5	6
Allocations to organs of state:										
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total contracted services		242	267	289	5	165	165	165	5	6
Other Expenditure By Type										
Collection costs		-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-
Consultant fees		-	-	-	-	-	-	-	-	-
Audit fees		1 077	374	1 602	620	620	620	620	705	747
General expenses	3	4 674	2 518	8 927	3 411	3 263	3 263	3 263	3 455	3 659
Other Operating Grant Expenditure		10 059	8 295	11 879	9 075	13 334	13 334	13 334	3 090	3 272
Repairs and maintenance		1 063	1 311	1 262	1 908	2 028	2 028	2 028	1 992	2 109
Total 'Other' Expenditure	1	16 873	12 499	23 670	15 013	19 245	19 245	19 245	9 241	9 786
Repairs and Maintenance	8									
Employee related costs		-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-
Other Expenditure		1 063	1 311	1 262	1 908	2 028	2 028	2 028	1 992	2 109
Total Repairs and Maintenance Expenditure	9	1 063	1 311	1 262	1 908	2 028	2 028	2 028	1 992	2 227

Choose name from list - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type)

Description	Ref	Vote1 - Municipal Manager	Vote2 - Finance	Vote3 - Corporate Services	Vote4 - Infrastructur e Development	Vote5 - Economic Development	Total
R thousand	1						
Revenue By Source							
Property rates		–	4 496	–	–	–	4 496
Property rates - penalties & collection charges		–	50	–	–	–	50
Service charges - electricity revenue		–	–	–	9 210	–	9 210
Service charges - water revenue		–	–	–	6 506	–	6 506
Service charges - sanitation revenue		–	–	–	1 339	–	1 339
Service charges - refuse revenue		–	–	–	1 058	–	1 058
Service charges - other		–	–	3	30	–	33
Rental of facilities and equipment		–	112	–	–	–	112
Interest earned - external investments		–	–	100	–	–	100
Interest earned - outstanding debtors		–	–	–	653	–	653
Dividends received		–	–	–	–	–	–
Fines		–	15	–	–	–	15
Licences and permits		–	35	–	–	–	35
Agency services		–	163	–	–	–	163
Other revenue		–	4 500	11	944	–	5 455
Transfers recognised - operational		1 368	16 144	1 080	–	–	18 592
Gains on disposal of PPE		–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		1 368	25 515	1 194	19 741	–	47 818
Expenditure By Type							
Employee related costs		2 496	1 795	5 997	6 561	1 009	17 858
Remuneration of councillors		1 858	–	–	–	–	1 858
Debt impairment		–	380	–	3 350	–	3 730
Depreciation & asset impairment		279	1	949	1 460	–	2 689
Finance charges		–	23	–	260	–	283
Bulk purchases		–	431	–	10 329	–	10 759
Other materials		–	–	197	1 509	–	1 706
Contracted services		–	–	5	–	–	5
Transfers and grants		–	–	–	–	–	–
Other expenditure		298	3 475	1 067	4 262	139	9 241
Loss on disposal of PPE		30	–	–	–	–	30
Total Expenditure		4 961	6 104	8 215	27 731	1 148	48 160
Surplus/(Deficit)		(3 593)	19 411	(7 021)	(7 990)	(1 148)	(342)
Transfers recognised - capital		–	–	–	8 244	–	8 244
Contributions recognised - capital		–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(3 593)	19 411	(7 021)	254	(1 148)	7 902

Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		9 296	200	7 807	200	200	200	200	200	200	200
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	2	9 296	200	7 807	200	200	200	200	200	200	200
Consumer debtors											
Consumer debtors		12 708	18 622	27 851	27 216	28 073	28 073	28 073	45 176	63 402	82 824
Less: Provision for debt impairment		(10 036)	(15 161)	(24 942)	(19 536)	(27 542)	(27 542)	(27 542)	(31 272)	(35 002)	(38 732)
Total Consumer debtors	2	2 672	3 461	2 909	7 679	531	531	531	13 905	28 400	44 092
Debt impairment provision											
Balance at the beginning of the year		5 223	10 036	15 161	16 986	24 942	24 942	24 942	27 542	31 272	35 002
Contributions to the provision		7 958	5 125	8 934	2 550	2 600	2 600	2 600	3 730	3 730	3 730
Bad debts written off		(3 145)	-	847	-	-	-	-	-	-	-
Balance at end of year		10 036	15 161	24 942	19 536	27 542	27 542	27 542	31 272	35 002	38 732
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		77 907	82 967	113 949	131 708	131 257	131 257	131 257	139 601	146 446	153 444
Leases recognised as PPE	3	100	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		13 934	16 015	21 337	21 176	21 337	21 337	21 337	24 025	26 714	29 403
Total Property, plant and equipment (PPE)	2	64 073	66 952	92 612	110 533	109 920	109 920	109 920	115 575	119 732	124 040
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		19	21	23	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		19	21	23	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		6 838	5 638	8 374	12 254	8 868	8 868	8 868	14 994	24 426	33 151
Unspent conditional transfers		10 527	9 305	10 562	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	17 365	14 943	18 935	12 254	8 868	8 868	8 868	14 994	24 426	33 151
Non current liabilities - Borrowing											
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		55	34	11	1 066	11	11	11	-	-	-
Total Non current liabilities - Borrowing		55	34	11	1 066	11	11	11	-	-	-
Provisions - non-current											
Retirement benefits		3 664	3 858	4 503	4 882	5 156	5 156	5 156	5 762	6 079	6 377
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		3 863	2 480	3 205	4 019	3 548	3 548	3 548	3 776	4 014	3 887
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		7 527	6 338	7 708	8 900	8 704	8 704	8 704	9 538	10 093	10 263
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		52 476	50 559	55 032	76 609	48 274	48 274	48 274	67 455	75 605	81 968
GRAP adjustments		167	3 793	-	-	-	-	-	-	-	-
Restated balance		52 643	54 351	55 032	76 609	48 274	48 274	48 274	67 455	75 605	81 968
Surplus/(Deficit)		(2 215)	546	(5 615)	19 461	18 934	18 934	18 934	7 902	6 115	5 881
Appropriations to Reserves		(1)	(1)	(1)	(1)	(1)	(1)	(1)	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		135	135	396	135	248	248	248	248	248	248
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	50 563	55 032	49 812	96 205	67 455	67 455	67 455	75 605	81 968	88 097
Reserves											
Housing Development Fund		15	15	16	17	16	16	16	16	16	16
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		3 934	3 799	30 195	3 528	29 947	29 947	29 947	29 699	29 451	29 203
Total Reserves	2	3 949	3 814	30 212	3 545	29 964	29 964	29 964	29 715	29 467	29 219
TOTAL COMMUNITY WEALTH/EQUITY	2	54 511	58 846	80 024	99 750	97 418	97 418	97 418	105 320	111 435	117 317

Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Choose name from list - Table A9 Asset Management										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	3 339	9 064	10 700	19 987	19 372	19 372	8 344	8 846	7 997
Infrastructure - Road transport		431	3 450	1 278	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Electricity		41	1 000	1 657	3 000	1 400	1 400	1 500	2 000	1 000
Infrastructure - Water		1 552	-	1 224	880	1 030	1 030	-	-	-
Infrastructure - Sanitation		70	1 600	2 951	2 951	2 140	2 140	-	-	-
Infrastructure - Other		176	-	-	-	-	-	-	-	-
Infrastructure		2 270	6 050	7 111	15 530	16 068	16 068	8 244	8 846	7 997
Community		502	1 455	3 322	1 167	-	-	-	-	-
Heritage assets		2	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	566	1 560	267	3 290	3 304	3 304	100	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	431	3 450	1 278	8 699	11 497	11 497	6 744	6 846	6 997
Infrastructure - Road transport		41	1 000	1 657	3 000	1 400	1 400	1 500	2 000	1 000
Infrastructure - Electricity		1 552	-	1 224	880	1 030	1 030	-	-	-
Infrastructure - Water		70	1 600	2 951	2 951	2 140	2 140	-	-	-
Infrastructure - Sanitation		176	-	-	-	-	-	-	-	-
Infrastructure - Other		2 270	6 050	7 111	15 530	16 068	16 068	8 244	8 846	7 997
Infrastructure		502	1 455	3 322	1 167	-	-	-	-	-
Community		2	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	566	1 560	267	3 290	3 304	3 304	100	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	3 339	9 064	10 700	19 987	19 372	19 372	8 344	8 846	7 997
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		2 368	5 813	3 416	21 116	14 760	14 760	21 119	27 580	34 192
Infrastructure - Electricity		2 664	3 570	4 202	10 597	5 702	5 702	7 028	8 854	9 680
Infrastructure - Water		15 205	19 069	15 664	16 104	16 253	16 253	15 818	15 383	14 948
Infrastructure - Sanitation		2 777	4 157	5 598	9 211	7 644	7 644	7 453	7 262	7 071
Infrastructure - Other		1 742	1 070	1 872	808	1 772	1 772	1 772	1 772	1 772
Infrastructure		24 755	33 679	30 752	57 836	46 130	46 130	53 189	60 850	67 662
Community		8 913	12 641	4 500	14 407	4 291	4 291	4 087	3 884	3 680
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		75	146	306	69	306	306	306	306	306
Other assets		30 405	20 632	57 360	38 289	59 499	59 499	58 299	56 998	55 698
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		342	274	225	156	225	225	225	225	225
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	64 490	67 372	93 144	110 758	110 452	110 452	116 107	122 264	127 572
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		2 094	2 161	5 846	2 886	2 263	2 263	2 689	2 689	2 689
<u>Repairs and Maintenance by Asset Class</u>	3	1 063	1 311	1 262	1 908	2 028	2 028	1 992	2 109	2 227
Infrastructure - Road transport		9	8	3	30	30	30	50	53	56
Infrastructure - Electricity		99	203	271	380	380	380	200	212	224
Infrastructure - Water		374	369	376	530	550	550	550	582	615
Infrastructure - Sanitation		16	-	4	30	30	30	50	53	56
Infrastructure - Other		54	13	31	15	15	15	100	106	112
Infrastructure		552	592	685	985	1 005	1 005	950	1 006	1 062
Community		9	159	11	40	50	50	55	58	62
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	150	150	150	100	106	112
Other assets	6, 7	502	560	566	733	823	823	887	939	991
TOTAL EXPENDITURE OTHER ITEMS		3 157	3 473	7 108	4 793	4 291	4 291	4 680	4 798	4 916
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.7%	2.0%	1.4%	1.7%	1.8%	1.8%	1.7%	1.7%	1.8%
Renewal and R&M as a % of PPE		2.0%	2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Table 68 MBRR SA32 – List of external mechanisms

*

NC067 Khai-Ma - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
PELLA WATER BOARD	Yrs	ONGOING	WATER	ONGOING	100
PAYDAY	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	
NASHUA	Yrs	5	PHOTO COPIERS	30/11/2016	
BUSINESS CONNEXIONS	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	

